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Tucson Electric Power Company

220 West Sixth Street, Post Office Box 711

Tucson, Arizona 85702

520-884-3683

April 24, 2000

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Arizona Corporation Commission

DOCKETED

MAY 04 2000

DOCKETED BY	<i>jm</i>
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Deborah R. Scott
Utilities Division
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, AZ 85007-2996

Re: Decision No. 62103, Unbundled Distribution Tariffs, Docket Nos. E-01933-A-98-0471, E-
~~RE-00000C-94-0165~~ and RE-00000C-94-0165

Dear Ms. Scott:

According to a request from the Arizona Corporation Commission Staff, please find attached a revision to Tucson Electric Power Company's Residential Rate 01. This tariff serves as an example of a revision made to all TEP tariffs, and these revised tariffs are being filed with ACC's Docket Control. The revisions made to the tariffs include the following:

1. A reclassification of TEP's Uncollectibles charge from a system benefits charge to a distribution charge,
2. A deletion of the Uncollectibles charge as a component of the system benefits charges in the Additional Notes sections of each tariff, and
3. The addition of an effective date of January 1, 2000.

Tucson Electric Power Company's revised tariffs will be made available on TEP's web sites located at: www.tucsonelectric.com and [Http://partners.tucsonelectric.com](http://partners.tucsonelectric.com).

Thank you for your assistance in this matter. If you have any questions, please do not hesitate to contact me.

Best Regards,

David Couture
Director of Regulatory Affairs

Enclosures

Cc: Sheryl Hubbard (w/enclosures)
Service List (w/enclosures)

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

Tariff No. 1

Sheet No. 1 of 5

Revision No. _____

Effective: January 1, 2000

DIRECT ACCESS
RESIDENTIAL SCHEDULE NO. 1

The Company's following Riders apply to this tariff: Adder Associated with MGC – Rider No. 1; Must-Run Generation – Rider No. 2; Transmission and Ancillary Services – Rider No. 3; Fixed CTC by Class – Rider No. 4; and Transmission Credit – Rider No. 5.

AVAILABILITY

In all territory served by Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the premises served.

APPLICABILITY

To all single phase or three phase (subject to availability at point of delivery) residential electric service in individual private dwellings and individually metered apartments when all service is supplied at one point of delivery and energy is metered through one meter; however, electric water heating may be metered separately.

Not applicable to resale, breakdown, standby, or auxiliary service or service to individual motors exceeding 40 amperes at a rating of 230 volts or which will cause excessive voltage fluctuations.

CHARACTER OF SERVICE

Single or three phase, 60 Hertz, nominal 120/240 volts.

RATES - Single-Phase Service

A monthly net bill based on the following, as applicable, plus any adjustments incorporated in this Schedule:

Distribution - Primary

Applicability: Required for Direct Access Service.

Price of Service: \$0.019131 per kWh

Distribution - Secondary

Applicability: Required for Direct Access Service.

Applies to primary & secondary customers; a primary discount may apply to primary customers.

Price of Service: \$0.007091 per kWh

Distribution - Customer Service Drop

Applicability: Required for Direct Access Service.

Price of Service: \$0.623377 per customer per month

Uncollectible Accounts

Applicability: Required for Direct Access Service.

Price of Service: \$0.000133 per kWh

Fixed Must-Run

Applicability: Required for Direct Access Service.

See Must-Run Generation - Rider No. 2

Price of Service: \$0.005017 per kWh

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. GlaserTitle: Vice President, Rates & Regulatory SupportDistrict: Entire Electric Service AreaTariff No. 1Sheet No. 2 of 5

Revision No. _____

Effective: January 1, 2000**DIRECT ACCESS**
RESIDENTIAL SCHEDULE NO. 1**Fixed CTC**

Applicability: Required for Direct Access Service.

See Fixed CTC by Class - Rider No. 4

Price of Service: \$0.010800 per kWh

Floating CTC

Applicability: Required for Direct Access Service.

See Market Generation Credit (MGC) and Stranded Cost Recovery section of this Tariff.

Demand Side Management

Applicability: Required System Benefits Charge for Direct Access Service.

Price of Service: \$0.000617 per kWh

Customer Information and Lifeline Discount

Applicability: Required System Benefits Charge for Direct Access Service.

Price of Service: \$0.000684 per kWh

Meter Services

Applicability: Required for Direct Access Service; may be purchased from a qualified third party.

Installation \$0.503195 per customer per month

Maintenance \$0.100639 per customer per month

Equipment \$0.402556 per customer per month

Subtotal \$1.006389 per customer per month

Meter Reading Services

Applicability: Required for Direct Access Service; may be purchased from a qualified third party.

Price of Service: \$0.801807 per customer per month

Billing and Collection

Applicability: Required for Direct Access Service; may be purchased from a qualified third party.

Price of Service: \$2.518427 per customer per month

Transmission - Group A: For customers under 20 kW and not demand metered.

Applicability: Required for Direct Access Service pursuant to the Company's OATT.

The rates in Transmission Credit - Rider No. 5 will be used for the Transmission Credit in the calculation of the floating CTC. These rates are based on the Company's OATT, but are converted to a kWh-basis for specific load-profiled customer groups.

For illustrative purposes, an estimated rate is shown below.

Energy-based rate for transmission: \$0.008724 per kWh

Transmission - Group B: For customers not in Group A.

Applicability: Required for Direct Access Service pursuant to the Company's OATT.

The following OATT rate is shown below for information and for calculation of the floating CTC.

See Transmission Rider No. 3.

As of June 7, 1999, the transmission charges are as follows:

EHV \$2.259000 per kW / Month

Non-EHV \$0.757000 per kW / Month

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. GlaserTitle: Vice President, Rates & Regulatory SupportDistrict: Entire Electric Service AreaTariff No. 1Sheet No. 3 of 5

Revision No. _____

Effective: January 1, 2000**DIRECT ACCESS**
RESIDENTIAL SCHEDULE NO. 1**Ancillary Services - Group A: For customers under 20 kW and not demand metered.**

Applicability: Required for Direct Access Service pursuant to the Company's OATT.

The rates in Transmission Credit – Rider No. 5 will be used for the Transmission Credit in the calculation of the floating CTC. These rates are based on the Company's OATT, but are converted to a kWh-basis for specific load-profiled customer groups.

For illustrative purposes, estimated rates are shown below.

System Control & Dispatch	\$0.000119 per kWh
Reactive Supply and Voltage Control	\$0.000466 per kWh
Regulation and Frequency Response	\$0.000451 per kWh
Energy Imbalance Service	(see Notes)
Spinning Reserve Service	\$0.001223 per kWh
Supplemental Reserve Service	\$0.000200 per kWh

Ancillary Services - Group B: For customers not in Group A.

Applicability: Required for Direct Access Service pursuant to the Company's OATT.

The following OATT rates are shown below for information and for calculation of the floating CTC.

See Transmission Rider No. 3.

As of June 7, 1999, the charges are as follows:

System Control & Dispatch	\$0.041000 per kW / Month
Reactive Supply and Voltage Control	\$0.161000 per kW / Month
Regulation and Frequency Response	\$0.156000 per kW / Month
Energy Imbalance Service	(see Notes)
Spinning Reserve Service	\$0.423000 per kW / Month
Supplemental Reserve Service	\$0.069000 per kW / Month

Notes:

- 1) A loss factor adjustment (5.4%) shall be made for Transmission and Ancillary Services.
- 2) Energy Imbalance Service currently charged pursuant to the Company's OATT, which is subject to pursuant to AISA protocols.

RATES - Three Phase Service

Same as single-phase service, except three-phase service is subject to the following additional charges:

Distribution - Customer Service Drop \$1.00 per customer per month**Meter Services**

Installation	\$0.81 per customer per month
Maintenance	\$0.81 per customer per month
<u>Equipment</u>	<u>\$4.88 per customer per month</u>
Subtotal	\$6.50 per customer per month

Total \$7.50 per customer per month

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

Tariff No. 1

Sheet No. 4 of 5

Revision No. _____

Effective: January 1, 2000

DIRECT ACCESS
RESIDENTIAL SCHEDULE NO. 1

ADDITIONAL NOTES

Summer billing months are May through October and winter billing months are November through April. Demand-Side Management, Customer Information and Lifeline Discount are collectively referred to as the System Benefits Charge (SBC).

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

See Must-Run Generation – Rider No. 2 for treatment of variable Must-Run Generation.

MARKET GENERATION CREDIT (MGC) and STRANDED COST RECOVERY

The floating CTC is used to recover a portion of stranded cost and is calculated using a MGC methodology. The MGC is determined quarterly, with such change set 45 days prior to each quarter, although the amount will vary month to month. The floating CTC equals the difference between the customer's bundled rate and the sum of the MGC, the Adder (pursuant to Adder Associated with MGC – Rider No. 1), and the unbundled charges for a) distribution, b) transmission, c) meter services, d) meter reading services, e) billing and collection, f) demand-side management system benefits charge, g) customer information and lifeline discount system benefits charge, h) uncollectible accounts, i) ancillary services (Transmission and Ancillary Services – Rider No. 3), j) fixed must-run generation (Must-Run Generation – Rider No. 2), and k) fixed CTC (Fixed CTC by Class – Rider No. 4). In a given quarter, the floating CTC can have a negative value, in which case the negative value will be credited to the customer's monthly bill.

The monthly MGC will be calculated using an on-peak component and an off-peak component and will be calculated in advance. The monthly on-peak component will be equal to a market price multiplied by the quantity of 1 plus the appropriate line loss (including UFE). The market price will be equal to the Palo Verde NYMEX futures price, except when adjusted for the variable cost of must-run generation. The off-peak component will be determined in the same manner as the on-peak component, except that the Palo Verde futures price will be adjusted by the ratio of off-peak to on-peak hourly prices from the California Power Exchange of the same month from the preceding year.

ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AISA) CHARGE

A charge of \$0.00004473 per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AISA in Arizona.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

Service Connection Charges

1. There shall be a \$13.50 charge for the initial establishment of each new service for each Customer.
2. There shall be a \$13.50 charge for the re-establishment of each service for each Customer.

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this rate schedule.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

Tariff No. 1

Sheet No. 5 of 5

Revision No. _____

Effective: January 1, 2000

DIRECT ACCESS
RESIDENTIAL SCHEDULE NO. 1

Optional rates are or may become available for certain classes of Customers. Upon application for service or upon request the Company will assist the Customer in selecting the rate schedule best suited to the Customer's requirements, but Company does not guarantee that Customers will be served under the most favorable rate schedule. Upon written notification of any material changes in Customer's installation, load conditions, or use of service, Company will assist in determining if a change in rates is desirable, but not more than one such change in rates will be made within any twelve-month period.

Electric space heating and water heating equipment and installation shall conform to the Company's requirements.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

Tariff No. 2

Sheet No. 1 of 5

Revision No. _____

Effective: January 1, 2000

DIRECT ACCESS
RESIDENTIAL SCHEDULE NO. 2 (FROZEN)

The Company's following Riders apply to this tariff: Adder Associated with MGC – Rider No. 1; Must-Run Generation – Rider No. 2; Transmission and Ancillary Services – Rider No. 3; Fixed CTC by Class – Rider No. 4; and Transmission Credit – Rider No. 5.

AVAILABILITY

This rate is limited to installations and Customers served under Rate No. 2 on the effective date of this tariff sheet.

APPLICABILITY

To separately metered single phase residential off-peak water heating service where general residential service is also provided under Rate No. 1. When service under Rate No. 2 is discontinued, the Company will either combine usage and bill under Rate No. 1 or modify the service entrance equipment so all service is supplied through the Rate No. 1 meter.

Not applicable to three phase service, resale, breakdown, standby, auxiliary, or any other service except off-peak water heating in accordance with the provisions of this rate schedule.

Where service other than water heating to which this rate is applicable has been taken hereunder, the regular rate for such service shall be applied on a monthly basis to all consumption billed hereunder during the previous twelve months less the aggregate of payments made hereunder for the same period of time. The regular rate shall continue to apply until the unauthorized service is permanently separated from the off-peak water heating service.

In the event that unauthorized usage on this rate occurs, the Company may require a credit deposit or similar guarantee to insure payment of future bills.

CHARACTER OF SERVICE

Single phase, 60 Hertz, nominal 120/240 volts.

Service may be controlled by the Company by disconnecting electricity during certain periods of the day not exceeding 8 hours in any 24-hour period, as determined by the Company from time to time.

RATES

A monthly net bill based on the following, as applicable, plus any adjustments incorporated in this Schedule:

Distribution - Primary

Applicability: Required for Direct Access Service.

Price of Service: \$0.019171 per kWh

Distribution - Secondary

Applicability: Required for Direct Access Service.

Applies to primary & secondary customers; a primary discount may apply to primary customers.

Price of Service: \$0.007091 per kWh

Distribution - Customer Service Drop

Applicability: Required for Direct Access Service.

Price of Service: \$3.603377 per customer per month

Uncollectible Accounts

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

Tariff No. 2

Sheet No. 2 of 5

Revision No. _____

Effective: January 1, 2000

DIRECT ACCESS
RESIDENTIAL SCHEDULE NO. 2 (FROZEN)

Applicability: Required for Direct Access Service.

Price of Service: \$0.000133 *per kWh*

Fixed Must-Run

Applicability: Required for Direct Access Service.

See Must-Run Generation - Rider No. 2

Price of Service: \$0.005017 *per kWh*

Fixed CTC

Applicability: Required for Direct Access Service.

See Fixed CTC by Class - Rider No. 4

Price of Service: \$0.010800 *per kWh*

Floating CTC

Applicability: Required for Direct Access Service.

See Market Generation Credit (MGC) and Stranded Cost Recovery section of this Tariff.

Demand Side Management

Applicability: Required System Benefits Charge for Direct Access Service.

Price of Service: \$0.000617 *per kWh*

Customer Information and Lifeline Discount

Applicability: Required System Benefits Charge for Direct Access Service.

Price of Service: \$0.000684 *per kWh*

Meter Services

Applicability: Required for Direct Access Service; may be purchased from a qualified third party.

Installation \$0.503195 *per customer per month*

Maintenance \$0.100639 *per customer per month*

Equipment \$0.402556 *per customer per month*

Subtotal \$1.006389 *per customer per month*

Meter Reading Services

Applicability: Required for Direct Access Service; may be purchased from a qualified third party.

Price of Service: \$0.801807 *per customer per month*

Billing and Collection

Applicability: Required for Direct Access Service; may be purchased from a qualified third party.

Price of Service: \$2.518427 *per customer per month*

Transmission - Group A: For customers under 20 kW and not demand metered.

Applicability: Required for Direct Access Service pursuant to the Company's OATT.

The rates in Transmission Credit - Rider No. 5 will be used for the Transmission Credit in the calculation of the floating CTC. These rates are based on the Company's OATT, but are converted to a kWh-basis for specific load-profiled customer groups.

For illustrative purposes, an estimated rate is shown below.

Energy-based rate for transmission: \$0.008724 *per kWh*

Transmission - Group B: For customers not in Group A.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. GlaserTitle: Vice President, Rates & Regulatory SupportDistrict: Entire Electric Service AreaTariff No. 2Sheet No. 3 of 5

Revision No. _____

Effective: January 1, 2000

DIRECT ACCESS
RESIDENTIAL SCHEDULE NO. 2 (FROZEN)

Applicability: Required for Direct Access Service pursuant to the Company's OATT.

The following OATT rate is shown below for information and for calculation of the floating CTC.

See Transmission Rider No. 3.

As of June 7, 1999, the transmission charges are as follows:

EHV	\$2.259000 per kW / Month
Non-EHV	\$0.757000 per kW / Month

Ancillary Services - Group A: For customers under 20 kW and not demand metered.

Applicability: Required for Direct Access Service pursuant to the Company's OATT.

The rates in Transmission Credit – Rider No. 5 will be used for the Transmission Credit in the calculation of the floating CTC. These rates are based on the Company's OATT, but are converted to a kWh-basis for specific load-profiled customer groups.

For illustrative purposes, estimated rates are shown below.

System Control & Dispatch	\$0.000119 per kWh
Reactive Supply and Voltage Control	\$0.000466 per kWh
Regulation and Frequency Response	\$0.000451 per kWh
Energy Imbalance Service	(see Notes)
Spinning Reserve Service	\$0.001223 per kWh
Supplemental Reserve Service	\$0.000200 per kWh

Ancillary Services - Group B: For customers not in Group A.

Applicability: Required for Direct Access Service pursuant to the Company's OATT.

The following OATT rates are shown below for information and for calculation of the floating CTC.

See Transmission Rider No. 3.

As of June 7, 1999, the charges are as follows:

System Control & Dispatch	\$0.041000 per kW / Month
Reactive Supply and Voltage Control	\$0.161000 per kW / Month
Regulation and Frequency Response	\$0.156000 per kW / Month
Energy Imbalance Service	(see Notes)
Spinning Reserve Service	\$0.423000 per kW / Month
Supplemental Reserve Service	\$0.069000 per kW / Month

Notes:

- 1) A loss factor adjustment (5.4%) shall be made for Transmission and Ancillary Services.
- 2) Energy Imbalance Service currently charged pursuant to the Company's OATT, which is subject to change pursuant to AISA protocols.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

Tariff No. 2

Sheet No. 4 of 5

Revision No. _____

Effective: January 1, 2000

DIRECT ACCESS
RESIDENTIAL SCHEDULE NO. 2 (FROZEN)

ADDITIONAL NOTES

Summer billing months are May through October and winter billing months are November through April. Demand-Side Management, Customer Information and Lifeline Discount are collectively referred to as the System Benefits Charge (SBC).

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

See Must-Run Generation – Rider No. 2 for treatment of variable Must-Run Generation.

MARKET GENERATION CREDIT (MGC) and STRANDED COST RECOVERY

The floating CTC is used to recover a portion of stranded cost and is calculated using a MGC methodology. The MGC is determined quarterly, with such change set 45 days prior to each quarter, although the amount will vary month to month. The floating CTC equals the difference between the customer's bundled rate and the sum of the MGC, the Adder (pursuant to Adder Associated with MGC – Rider No. 1), and the unbundled charges for: a) distribution, b) transmission, c) meter services, d) meter reading services, e) billing and collection, f) demand-side management system benefits charge, g) customer information and lifeline discount system benefits charge, h) uncollectible accounts, i) ancillary services (Transmission and Ancillary Services – Rider No. 3), j) fixed must-run generation (Must-Run Generation – Rider No. 2), and k) fixed CTC (Fixed CTC by Class – Rider No. 4). In a given quarter, the floating CTC can have a negative value, in which case the negative value will be credited to the customer's monthly bill.

The monthly MGC will be calculated using an on-peak component and an off-peak component and will be calculated in advance. The monthly on-peak component will be equal to a market price multiplied by the quantity of 1 plus the appropriate line loss (including UFE). The market price will be equal to the Palo Verde NYMEX futures price, except when adjusted for the variable cost of must-run generation. The off-peak component will be determined in the same manner as the on-peak component, except that the Palo Verde futures price will be adjusted by the ratio of off-peak to on-peak hourly prices from the California Power Exchange of the same month from the preceding year.

ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AISA) CHARGE

A charge of \$0.00004473 per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AISA in Arizona.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

Tariff No. 2

Sheet No. 5 of 5

Revision No. _____

Effective: January 1, 2000

DIRECT ACCESS
RESIDENTIAL SCHEDULE NO. 2 (FROZEN)

RULES AND REGULATIONS

Service Connection Charges

1. There shall be a \$13.50 charge for the initial establishment of each new service for each Customer.
2. There shall be a \$13.50 charge for the re-establishment of each service for each Customer.

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this rate schedule.

Optional rates are or may become available for certain classes of Customers. Upon application for service or upon request the Company will assist the Customer in selecting the rate schedule best suited to the Customer's requirements, but Company does not guarantee that Customers will be served under the most favorable rate schedule. Upon written notification of any material changes in Customer's installation, load conditions, or use of service, Company will assist in determining if a change in rates is desirable, but not more than one such change in rates will be made within any twelve-month period.

The electric water heating equipment and installation shall conform to the Company's requirements and be for normal domestic use. The heater shall be of the storage type and not less than 30-gallon capacity. For a water heater equipped with one heating element, the rating of the heating element shall not exceed 6,000 watts. For a water heater equipped with more than one heating element, the rating of any such heating element shall not exceed 6,000 watts, and, if the total of the ratings of the elements exceeds 6,000 watts, they shall be thermostatically interlocked so that they cannot operate simultaneously and thereby exceed 6,000 watts. The Customer shall provide the necessary wiring to permit the installation of the Company's metering and control equipment.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. GlaserTitle: Vice President, Rates & Regulatory SupportDistrict: Entire Electric Service AreaTariff No. 4FSheet No. 1 of 1

Revision No. _____

Effective: January 1, 2000

DIRECT ACCESS
RESIDENTIAL LIFELINE/SENIOR DISCOUNT RATE NO. 4 (FROZEN RATE)

AVAILABILITY

In all territory served by Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the premises served. This program shall be available to new customers until the start of retail electric competition in the Company's service territory. Thereafter, this program shall be closed to new customers. Lifeline and Senior Lifeline programs shall be addressed under the Company's Rate No. 6 after the start of retail electric competition. Customers who subscribe to Rate No. 4 or 5 prior to the start of retail electric competition shall, at their option, be grandfathered under this program. This program may be terminated upon Arizona Corporation Commission approval.

APPLICABILITY

To electric service qualifying for billing under Residential Rate No. 01, Residential Time-of-Use Rate No. 21, or Residential Time-of-Use Rate No. 70, where the customer also has qualified for Rate No. 4 as specified in the Company's plan for administration. All provisions of Rate No. 01, Rate No. 21, or Rate No. 70 will apply except as modified herein. This discount is also available to tenants of master metered mobile home parks and apartments. The applicant must be 65 years of age, or older, to qualify.

MONTHLY BILL

The monthly bill shall be in accordance with the Rate No. 01, Rate No. 21, or Rate No. 70 schedule except:

For Bills with Usage of:	The Total Bill (before Taxes and Regulatory Assessments) Will Be Discounted by:
0 - 300 kWh	35%
301 - 600 kWh	30%
601 - 1000 kWh	25%
1001 - 1500 kWh	15%
Over 1500 kWh	0%

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. GlaserTitle: Vice President, Rates & Regulatory SupportDistrict: Entire Electric Service AreaTariff No. 5FSheet No. 1 of 1

Revision No. _____

Effective: January 1, 2000

DIRECT ACCESS
RESIDENTIAL LIFELINE DISCOUNT RATE NO. 5 (FROZEN RATE)

AVAILABILITY

In all territory served by Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the premises served. This program shall be available to new customers until the start of retail electric competition in the Company's service territory. Thereafter, this program shall be closed to new customers. Lifeline and Senior Lifeline programs shall be addressed under the Company's Rate No. 6 after the start of retail electric competition. Customers who subscribe to Rate No. 4 or 5 prior to the start of retail electric competition shall, at their option, be grandfathered under this program. This program may be terminated upon Arizona Corporation Commission approval.

APPLICABILITY

To electric service qualifying for billing under Residential Rate No. 01, Residential Time-of-Use Rate No. 21, or Residential Time-of-Use Rate No. 70 where the customer also has qualified for Rate No. 5 as specified in the Company's plan for administration. All provisions of Rate No. 01, Rate No. 21, or Rate No. 70 will apply except as modified herein. This discount is also available to tenants of master metered mobile home parks and apartments.

MONTHLY BILL

The monthly bill shall be in accordance with the Rate No. 01, Rate No. 21, or Rate No. 70 schedule except:

For Bills with Usage of:	The Total Bill (before Taxes and Regulatory Assessments) Will Be Discounted by:
0 - 300 kWh	25%
301 - 600 kWh	20%
601 - 1000 kWh	15%
Over 1000 kWh	0%

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

Tariff No. 6

Sheet No. 1 of 1

Revision No. _____

Effective: January 1, 2000

RESIDENTIAL LIFELINE DISCOUNT RATE NO. 6

AVAILABILITY

In all territory served by Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the premises served.

APPLICABILITY

To electric service qualifying for billing under Residential Rate No. 01, Residential Time-of-Use Rate No. 21, or Residential Time-of-Use Rate No. 70 where the customer also has qualified for Rate No. 5 as specified in the Company's plan for administration. All provisions of Rate No. 01, Rate No. 21, or Rate No. 70 will apply except as modified herein. This discount is also available to tenants of master metered mobile home parks and apartments.

MONTHLY BILL

The monthly bill shall be in accordance with the Rate No. 01, Rate No. 21, or Rate No. 70 schedule except that a discount of \$8.00 per month shall be applied. The minimum bill shall be the customer charge under Rate No. 01, Rate No. 21, or Rate No. 70 as applicable.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

Tariff No. 10

Sheet No. 1 of 5

Revision No. _____

Effective: January 1, 2000

DIRECT ACCESS
GENERAL SERVICE SCHEDULE NO. 10

The Company's following Riders apply to this tariff: Adder Associated with MGC – Rider No. 1; Must-Run Generation – Rider No. 2; Transmission and Ancillary Services – Rider No. 3; Fixed CTC by Class – Rider No. 4; and Transmission Credit – Rider No. 5.

AVAILABILITY

Throughout the entire area where the facilities of the Company are of adequate capacity and are adjacent to the premises.

APPLICABILITY

To all general power and lighting service unless otherwise addressed by specific rate schedules, when all energy is supplied at one point of delivery and through one metered service. Also applicable to ESA (special contract) customers who, after expiration of their contracts pursuant to the Company's Amended Settlement Agreement, choose to take Direct Access service.

Not applicable to resale, breakdown, standby, or auxiliary service.

CHARACTER OF SERVICE

Single or three phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery. Primary metering may be used by mutual agreement.

RATES - Single-Phase Service

A monthly net bill based on the following, as applicable, plus any adjustments incorporated in this Schedule:

Distribution - Primary

Applicability: Required for Direct Access Service.

Price of Service: \$0.014912 per kWh

Distribution - Secondary

Applicability: Required for Direct Access Service.

Applies to primary & secondary customers; a primary discount may apply to primary customers.

Price of Service: \$0.006724 per kWh

Distribution - Customer Service Drop

Applicability: Required for Direct Access Service.

Price of Service: \$0.139440 per customer per month

Uncollectible Accounts

Applicability: Required for Direct Access Service.

Price of Service: \$0.000134 per kWh

Fixed Must-Run

Applicability: Required for Direct Access Service.

See Must-Run Generation - Rider No. 2

Price of Service: \$0.005493 per kWh

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. GlaserTitle: Vice President, Rates & Regulatory SupportDistrict: Entire Electric Service AreaTariff No. 10Sheet No. 2 of 5

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Effective: January 1, 2000

DIRECT ACCESS
GENERAL SERVICE SCHEDULE NO. 10

Fixed CTC

Applicability: Required for Direct Access Service.

See Fixed CTC by Class - Rider No. 4

Price of Service: \$0.011825 per kWh

Floating CTC

Applicability: Required for Direct Access Service.

See Market Generation Credit (MGC) and Stranded Cost Recovery section of this Tariff.

Demand Side Management

Applicability: Required System Benefits Charge for Direct Access Service.

Price of Service: \$0.000625 per kWh

Customer Information and Lifeline Discount

Applicability: Required System Benefits Charge for Direct Access Service.

Price of Service: \$0.000693 per kWh

Meter Services

Applicability: Required for Direct Access Service; may be purchased from a qualified third party.

Installation \$1.206974 per customer per month

Maintenance \$0.241395 per customer per month

Equipment \$0.965579 per customer per month

Subtotal \$2.413948 per customer per month

Meter Reading Services

Applicability: Required for Direct Access Service; may be purchased from a qualified third party.

Price of Service: \$0.817837 per customer per month

Billing and Collection

Applicability: Required for Direct Access Service; may be purchased from a qualified third party.

Price of Service: \$2.568775 per customer per month

Transmission - Group A: For customers under 20 kW and not demand metered.

Applicability: Required for Direct Access Service pursuant to the Company's OATT.

The rates in Transmission Credit – Rider No. 5 will be used for the Transmission Credit in the calculation of the floating CTC. These rates are based on the Company's OATT, but are converted to a kWh-basis for specific load-profiled customer groups.

For illustrative purposes, an estimated rate is shown below.

Energy-based rate for transmission: \$0.009551 per kWh

Transmission - Group B: For customers not in Group A.

Applicability: Required for Direct Access Service pursuant to the Company's OATT.

The following OATT rate is shown below for information and for calculation of the floating CTC.

See Transmission Rider No. 3.

As of June 7, 1999, the transmission charges are as follows:

EHV \$2.259000 per kW / Month

Non-EHV \$0.757000 per kW / Month

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. GlaserTitle: Vice President, Rates & Regulatory SupportDistrict: Entire Electric Service AreaTariff No. 10Sheet No. 3 of 5

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GENERAL SERVICE SCHEDULE NO. 10

Ancillary Services - Group A: For customers under 20 kW and not demand metered.

Applicability: Required for Direct Access Service pursuant to the Company's OATT.

The rates in Transmission Credit -- Rider No. 5 will be used for the Transmission Credit in the calculation of the floating CTC. These rates are based on the Company's OATT, but are converted to a kWh-basis for specific load-profiled customer groups.

For illustrative purposes, estimated rates are shown below.

System Control & Dispatch	\$0.000130 per kWh
Reactive Supply and Voltage Control	\$0.000510 per kWh
Regulation and Frequency Response	\$0.000494 per kWh
Energy Imbalance Service	(see Notes)
Spinning Reserve Service	\$0.001340 per kWh
Supplemental Reserve Service	\$0.000219 per kWh

Ancillary Services - Group B: For customers not in Group A.

Applicability: Required for Direct Access Service pursuant to the Company's OATT.

The following OATT rates are shown below for information and for calculation of the floating CTC.

See Transmission Rider No. 3.

As of June 7, 1999, the charges are as follows:

System Control & Dispatch	\$0.041000 per kW / Month
Reactive Supply and Voltage Control	\$0.161000 per kW / Month
Regulation and Frequency Response	\$0.156000 per kW / Month
Energy Imbalance Service	(see Notes)
Spinning Reserve Service	\$0.423000 per kW / Month
Supplemental Reserve Service	\$0.069000 per kW / Month

Notes:

- 1) A loss factor adjustment (5.4%) shall be made for Transmission and Ancillary Services.
- 2) Energy Imbalance Service currently charged pursuant to the Company's OATT, which is subject to change pursuant to AISA protocols.

RATES - Three Phase Service

Same as single-phase service, except three-phase service is subject to the following additional charges:

Distribution - Customer Service Drop \$1.00 per customer per month

Meter Services

Installation	\$0.81 per customer per month
Maintenance	\$0.81 per customer per month
<u>Equipment</u>	<u>\$4.88</u> per customer per month
Subtotal	\$6.50 per customer per month

Total \$7.50 per customer per month

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

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Revision No. _____

Effective: January 1, 2000

DIRECT ACCESS
GENERAL SERVICE SCHEDULE NO. 10

ADDITIONAL NOTES

Summer billing months are May through October and winter billing months are November through April. Demand-Side Management, Customer Information and Lifeline Discount are collectively referred to as the System Benefits Charge (SBC).

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

See Must-Run Generation – Rider No. 2 for treatment of variable Must-Run Generation.

MARKET GENERATION CREDIT (MGC) and STRANDED COST RECOVERY

The floating CTC is used to recover a portion of stranded cost and is calculated using a MGC methodology. The MGC is determined quarterly, with such change set 45 days prior to each quarter, although the amount will vary from month to month. The floating CTC equals the difference between the customer's bundled rate and the sum of the MGC, the Adder (pursuant to Adder Associated with MGC – Rider No. 1), and the unbundled charges for a) distribution, b) transmission, c) meter services, d) meter reading services, e) billing and collection, f) demand-side management system benefits charge, g) customer information and lifeline discount system benefits charge, h) uncollectible accounts, i) ancillary services (Transmission and Ancillary Services – Rider No. 3), j) fixed must-run generation (Must-Run Generation – Rider No. 2), and k) fixed CTC (Fixed CTC by Class – Rider No. 4). In a given quarter, the floating CTC can have a negative value, in which case the negative value will be credited to the customer's monthly bill. The floating CTC for an ESA customer shall be calculated using the customer's ESA price as of May 1, 1999 (subject to any automatic escalation provisions contained in the ESA) as the customer's bundled rate per the Company's Amended Settlement Agreement of 1999, §2.1(h).

The monthly MGC will be calculated using an on-peak component and an off-peak component and will be calculated in advance. The monthly on-peak component will be equal to a market price multiplied by the quantity of 1 plus the appropriate line loss (including UFE). The market price will be equal to the Palo Verde NYMEX futures price, except when adjusted for the variable cost of must-run generation. The off-peak component will be determined in the same manner as the on-peak component, except that the Palo Verde futures price will be adjusted by the ratio of off-peak to on-peak hourly prices from the California Power Exchange of the same month from the preceding year.

ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AISA) CHARGE

A charge of \$0.00004473 per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AISA in Arizona.

ADJUSTMENT FOR TRANSFORMER OWNERSHIP AND METERING

1. When Company owns transformers and energy is metered on primary side of transformers, the demand shall be metered and the above schedule subject to a discount of 10.3¢ per kW per month of the demand each month.
2. When Customer owns transformers and energy is metered on primary side of transformers, the demand shall be metered and the above schedule subject to a discount of 20.6¢ per kW per month of the demand each month.
3. When Customer owns transformers and, at Company's option, energy is metered on secondary side of transformers, the demand shall be metered and the above schedule subject to a discount of 10.3¢ per kW per month of the demand each month.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

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Revision No. _____

Effective: January 1, 2000

DIRECT ACCESS
GENERAL SERVICE SCHEDULE NO. 10

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

Service Connection Charges

1. There shall be a \$13.50 charge for the initial establishment of each new service for each Customer.
2. There shall be a \$13.50 charge for the re-establishment of each service for each Customer.

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this rate schedule.

The Company may require a written contract and a minimum term of contract.

Where the Customer's utilization equipment is operated on a fixed schedule and can be readily and efficiently inspected by the Company to verify its demand and/or kWh usage, the Company may supply unmetered service under this Rate Schedule upon the basis of the demand and/or kWh usage determined by the Company. The Company reserves the right at any time to meter service previously supplied on an unmetered basis. The Customer will be responsible for notifying the Company of any changes being made in the equipment connected to the system. The determined demand and/or kWh usage will be adjusted as equipment is changed.

Optional rates are or may become available for certain classes of Customers. Upon application for service or upon request the Company will assist the Customer in selecting the rate schedule best suited to the Customer's requirements, but Company does not guarantee that Customers will be served under the most favorable rate schedule. Upon written notification of any material changes in Customer's installation, load conditions, or use of service, Company will assist in determining if a change in rates is desirable, but not more than one such change in rates will be made within any twelve-month period.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

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Effective: January 1, 2000

DIRECT ACCESS
MOBILE HOME PARK SCHEDULE NO. 11

The Company's following Riders apply to this tariff: Adder Associated with MGC – Rider No. 1; Must-Run Generation – Rider No. 2; Transmission and Ancillary Services – Rider No. 3; Fixed CTC by Class – Rider No. 4; and Transmission Credit – Rider No. 5.

AVAILABILITY

Throughout the entire area where the facilities of the Company are of adequate capacity and are adjacent to the premises.

APPLICABILITY

To mobile home parks for service through a master meter to two or more mobile homes, provided each mobile home served through such master meter will be individually metered and billed by the park operator in accordance with applicable Orders of the Arizona Corporation Commission. Electric service to the park's facilities used by its residents may be supplied under this schedule only if such facilities are served through a master meter which serves two or more mobile homes. Also applicable to ESA (special contract) customers who, after expiration of their contracts pursuant to the Company's Amended Settlement Agreement, choose to take Direct Access service.

New mobile home parks and new expansions of existing mobile home parks are precluded from receiving service under this tariff according to the Arizona Competition Commission Retail Electric Competition Rules, §R14-2-205. Transfer of ownership of mobile home parks already served by this tariff shall not preclude continued service under this tariff.

Not applicable to resale, breakdown, standby, or auxiliary service.

CHARACTER OF SERVICE

Single or three phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery. Primary metering may be used by mutual agreement.

RATES - Single-Phase Service

A monthly net bill based on the following, as applicable, plus any adjustments incorporated in this Schedule:

Distribution - Primary

Applicability: Required for Direct Access Service.

Price of Service: \$0.016388 per kWh

Distribution - Secondary

Applicability: Required for Direct Access Service.

Applies to primary & secondary customers; a primary discount may apply to primary customers.

Price of Service: \$0.007091 per kWh

Distribution - Customer Service Drop

Applicability: Required for Direct Access Service.

Price of Service: \$2.410802 per customer per month

Uncollectible Accounts

Applicability: Required for Direct Access Service.

Price of Service: \$0.000133 per kWh

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. GlaserTitle: Vice President, Rates & Regulatory SupportDistrict: Entire Electric Service AreaTariff No. 11Sheet No. 2 of 5

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DIRECT ACCESS
MOBILE HOME PARK SCHEDULE NO. 11

Fixed Must-Run

Applicability: Required for Direct Access Service.

See Must-Run Generation - Rider No. 2

Price of Service:

\$0.006549 per kWh

Fixed CTC

Applicability: Required for Direct Access Service.

See Fixed CTC by Class - Rider No. 4

Price of Service:

\$0.014099 per kWh

Floating CTC

Applicability: Required for Direct Access Service.

See Market Generation Credit (MGC) and Stranded Cost Recovery section of this Tariff.

Demand Side Management

Applicability: Required System Benefits Charge for Direct Access Service.

Price of Service:

\$0.000617 per kWh

Customer Information and Lifeline Discount

Applicability: Required System Benefits Charge for Direct Access Service.

Price of Service:

\$0.000684 per kWh

Meter Services

Applicability: Required for Direct Access Service; may be purchased from a qualified third party.

Installation	\$3.265808 per customer per month
Maintenance	\$0.653162 per customer per month
<u>Equipment</u>	<u>\$2.612647</u> per customer per month
Subtotal	\$6.531617 per customer per month

Meter Reading Services

Applicability: Required for Direct Access Service; may be purchased from a qualified third party.

Price of Service:

\$0.829833 per customer per month

Billing and Collection

Applicability: Required for Direct Access Service; may be purchased from a qualified third party.

Price of Service:

\$2.606455 per customer per month

Transmission - Group A: For customers under 20 kW and not demand metered.

Applicability: Required for Direct Access Service pursuant to the Company's OATT.

The rates in Transmission Credit - Rider No. 5 will be used for the Transmission Credit in the calculation of the floating CTC. These rates are based on the Company's OATT, but are converted to a kWh-basis for specific load-profiled customer groups.

For illustrative purposes, an estimated rate is shown below.

Energy-based rate for transmission:

\$0.011388 per kWh

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. GlaserTitle: Vice President, Rates & Regulatory SupportDistrict: Entire Electric Service AreaTariff No. 11Sheet No. 3 of 5

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Effective: January 1, 2000**DIRECT ACCESS**
MOBILE HOME PARK SCHEDULE NO. 11**Transmission - Group B: For customers not in Group A.**

Applicability: Required for Direct Access Service pursuant to the Company's OATT.

The following OATT rate is shown below for information and for calculation of the floating CTC.

See Transmission Rider No. 3.

As of June 7, 1999, the transmission charges are as follows:

EHV	\$2.259000 per kW / Month
Non-EHV	\$0.757000 per kW / Month

Ancillary Services - Group A: For customers under 20 kW and not demand metered.

Applicability: Required for Direct Access Service pursuant to the Company's OATT.

The rates in Transmission Credit – Rider No. 5 will be used for the Transmission Credit in the calculation of the floating CTC. These rates are based on the Company's OATT, but are converted to a kWh-basis for specific load-profiled customer groups.

For illustrative purposes, estimated rates are shown below.

System Control & Dispatch	\$0.000155 per kWh
Reactive Supply and Voltage Control	\$0.000608 per kWh
Regulation and Frequency Response	\$0.000589 per kWh
Energy Imbalance Service	(see Notes)
Spinning Reserve Service	\$0.001597 per kWh
Supplemental Reserve Service	\$0.000261 per kWh

Ancillary Services - Group B: For customers not in Group A.

Applicability: Required for Direct Access Service pursuant to the Company's OATT.

The following OATT rates are shown below for information and for calculation of the floating CTC.

See Transmission Rider No. 3.

As of June 7, 1999, the charges are as follows:

System Control & Dispatch	\$0.041000 per kW / Month
Reactive Supply and Voltage Control	\$0.161000 per kW / Month
Regulation and Frequency Response	\$0.156000 per kW / Month
Energy Imbalance Service	(see Notes)
Spinning Reserve Service	\$0.423000 per kW / Month
Supplemental Reserve Service	\$0.069000 per kW / Month

Notes:

- 1) A loss factor adjustment (5.4%) shall be made for Transmission and Ancillary Services.
- 2) Energy Imbalance Service currently charged pursuant to the Company's OATT, which is subject to change pursuant to AISA protocols.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

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Revision No. _____

Effective: January 1, 2000

DIRECT ACCESS
MOBILE HOME PARK SCHEDULE NO. 11

RATES - Three Phase Service

Same as single-phase service, except three-phase service is subject to the following additional charges:

Distribution - Customer Service Drop **\$1.00 per customer per month**

Meter Services

 Installation **\$0.81 per customer per month**

 Maintenance **\$0.81 per customer per month**

Equipment **\$4.88 per customer per month**

 Subtotal **\$6.50 per customer per month**

Total **\$7.50 per customer per month**

ADDITIONAL NOTES

Summer billing months are May through October and winter billing months are November through April. Demand-Side Management, Customer Information and Lifeline Discount are collectively referred to as the System Benefits Charge (SBC).

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

See Must-Run Generation – Rider No. 2 for treatment of variable Must-Run Generation.

MARKET GENERATION CREDIT (MGC) and STRANDED COST RECOVERY

The floating CTC is used to recover a portion of stranded cost and is calculated using a MGC methodology. The MGC is determined quarterly, with such change set 45 days prior to each quarter, although the amount will vary month to month. The floating CTC equals the difference between the customer's bundled rate and the sum of the MGC, the Adder (pursuant to Adder Associated with MGC – Rider No. 1), and the unbundled charges for a) distribution, b) transmission, c) meter services, d) meter reading services, e) billing and collection, f) demand-side management system benefits charge, g) customer information and lifeline discount system benefits charge, h) uncollectible accounts, i) ancillary services (Transmission and Ancillary Services – Rider No. 3), j) fixed must-run generation (Must-Run Generation – Rider No. 2), and k) fixed CTC (Fixed CTC by Class – Rider No. 4). In a given quarter, the floating CTC can have a negative value, in which case the negative value will be credited to the customer's monthly bill. The floating CTC for an ESA customer shall be calculated using the customer's ESA price as of May 1, 1999 (subject to any automatic escalation provisions contained in the ESA) as the customer's bundled rate per the Company's Amended Settlement Agreement of 1999, §2.1(h).

The monthly MGC will be calculated using an on-peak component and an off-peak component and will be calculated in advance. The monthly on-peak component will be equal to a market price multiplied by the quantity of 1 plus the appropriate line loss (including UFE). The market price will be equal to the Palo Verde NYMEX futures price, except when adjusted for the variable cost of must-run generation. The off-peak component will be determined in the same manner as the on-peak component, except that the Palo Verde futures price will be adjusted by the ratio of off-peak to on-peak hourly prices from the California Power Exchange of the same month from the preceding year.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

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Revision No. _____

Effective: January 1, 2000

DIRECT ACCESS
MOBILE HOME PARK SCHEDULE NO. 11

ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AISA) CHARGE

A charge of \$0.00004473 per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AISA in Arizona.

ADJUSTMENT FOR TRANSFORMER OWNERSHIP AND METERING

1. When Company owns transformers and energy is metered on primary side of transformers, the demand shall be metered and the above schedule subject to a discount of 10.3¢ per kW per month of the demand each month.
2. When Customer owns transformers and energy is metered on primary side of transformers, the demand shall be metered and the above schedule subject to a discount of 20.6¢ per kW per month of the demand each month.
3. When Customer owns transformers and, at Company's option, energy is metered on secondary side of transformers, the demand shall be metered and the above schedule subject to a discount of 10.3¢ per kW per month of the demand each month.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

Service Connection Charges

1. There shall be a \$13.50 charge for the initial establishment of each new service for each Customer.
2. There shall be a \$13.50 charge for the re-establishment of each service for each Customer.

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this rate schedule.

The Company may require a written contract and a minimum term of contract.

Optional rates are or may become available for certain classes of Customers. Upon application for service or upon request the Company will assist the Customer in selecting the rate schedule best suited to the Customer's requirements, but Company does not guarantee that Customers will be served under the most favorable rate schedule. Upon written notification of any material changes in Customer's installation, load conditions, or use of service, Company will assist in determining if a change in rates is desirable, but not more than one such change in rates will be made within any twelve-month period.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

Tariff No. 13

Sheet No. 1 of 5

Revision No. _____

Effective: January 1, 2000

DIRECT ACCESS
LARGE GENERAL SERVICE SCHEDULE NO. 13

The Company's following Riders apply to this tariff: Adder Associated with MGC – Rider No. 1; Must-Run Generation – Rider No. 2; Transmission and Ancillary Services – Rider No. 3; Fixed CTC by Class – Rider No. 4; and Transmission Credit – Rider No. 5.

AVAILABILITY

Throughout the entire area where the facilities of the Company are of adequate capacity and are adjacent to the premises.

APPLICABILITY

To all general power and lighting service on an optional basis when all energy is supplied at one point of delivery and through one metered service. Customer shall contract for a demand of not less than 200 kW. Also applicable to ESA (special contract) customers who, after expiration of their contracts pursuant to the Company's Amended Settlement Agreement, choose to take Direct Access service.

Not applicable to resale, breakdown, standby, or auxiliary service.

CHARACTER OF SERVICE

Single or three phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery. Primary metering may be used by mutual agreement.

RATES

A monthly net bill based on the following, as applicable, plus any adjustments incorporated in this Schedule:

Distribution - Primary

Applicability: Required for Direct Access Service.

Distribution Primary

Minimum Charge up to 200 kW

\$163.420632 per customer per month

Each additional kW over 200 kW

\$0.731442 per kW

Summer kWh

\$0.009043 per kWh

Winter kWh

\$0.008686 per kWh

Distribution - Secondary

Applicability: Required for Direct Access Service.

Applies to primary & secondary customers; a primary discount may apply to primary customers.

Minimum Charge up to 200 kW

\$67.413741 per customer per month

Each additional kW over 200 kW

\$0.301732 per kW

Summer kWh

\$0.002947 per kWh

Winter kWh

\$0.002799 per kWh

Distribution - Customer Service Drop

Applicability: Required for Direct Access Service.

Price of Service:

\$203.915716 per customer per month

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. GlaserTitle: Vice President, Rates & Regulatory SupportDistrict: Entire Electric Service AreaTariff No. 13Sheet No. 2 of 5

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Effective: January 1, 2000

DIRECT ACCESS
LARGE GENERAL SERVICE SCHEDULE NO. 13

Uncollectible Accounts

Applicability: Required for Direct Access Service.

Minimum Charge up to 200 kW

\$2.270740 *per customer per month*

Each additional kW over 200 kW

\$0.010163 *per kW*

Price of Service:

\$0.000097 *per kWh***Fixed Must-Run**

Applicability: Required for Direct Access Service.

See Must-Run Generation - Rider No. 2

Price of Service:

\$0.003787 *per kWh***Fixed CTC**

Applicability: Required for Direct Access Service.

See Fixed CTC by Class - Rider No. 4

Price of Service:

\$0.008152 *per kWh***Floating CTC**

Applicability: Required for Direct Access Service.

See Market Generation Credit (MGC) and Stranded Cost Recovery section of this Tariff.

Demand Side Management

Applicability: Required System Benefits Charge for Direct Access Service.

Minimum Charge up to 200 kW

\$10.564494 *per customer per month*

Each additional kW over 200 kW

\$0.047285 *per kW*

Price of Service:

\$0.000451 *per kWh***Customer Information and Lifeline Discount**

Applicability: Required System Benefits Charge for Direct Access Service.

Minimum Charge up to 200 kW

\$11.712882 *per customer per month*

Each additional kW over 200 kW

\$0.052425 *per kW*

Price of Service:

\$0.000499 *per kWh***Meter Services**

Applicability: Required for Direct Access Service; may be purchased from a qualified third party.

Installation

\$1.500000 *per customer per month*

Maintenance

\$1.500000 *per customer per month*Equipment\$9.000000 *per customer per month*

Subtotal

\$12.000000 *per customer per month***Meter Reading Services**

Applicability: Required for Direct Access Service; may be purchased from a qualified third party.

Price of Service:

\$1.000000 *per customer per month***Billing and Collection**

Applicability: Required for Direct Access Service; may be purchased from a qualified third party.

Price of Service:

\$5.000000 *per customer per month*

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

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Sheet No. 3 of 5

Revision No. _____

Effective: January 1, 2000

DIRECT ACCESS
LARGE GENERAL SERVICE SCHEDULE NO. 13

Transmission

Applicability: Required for Direct Access Service pursuant to the Company's OATT.

The following OATT rate is shown below for information and for calculation of the floating CTC.

See Transmission Rider No. 3.

As of June 7, 1999, the transmission charges are as follows:

EHV	\$2.259000 per kW / Month
Non-EHV	\$0.757000 per kW / Month

Ancillary Services

Applicability: Required for Direct Access Service pursuant to the Company's OATT.

The following OATT rates are shown below for information and for calculation of the floating CTC.

See Transmission Rider No. 3.

As of June 7, 1999, the charges are as follows:

System Control & Dispatch	\$0.041000 per kW / Month
Reactive Supply and Voltage Control	\$0.161000 per kW / Month
Regulation and Frequency Response	\$0.156000 per kW / Month
Energy Imbalance Service	(see Notes)
Spinning Reserve Service	\$0.423000 per kW / Month
Supplemental Reserve Service	\$0.069000 per kW / Month

Notes:

- 1) A loss factor adjustment (5.4%) shall be made for Transmission and Ancillary Services.
- 2) Energy Imbalance Service currently charged pursuant to the Company's OATT, which is subject to change pursuant to AISA protocols.

ADDITIONAL NOTES

Summer billing months are May through October and winter billing months are November through April. Demand-Side Management, Customer Information and Lifeline Discount are collectively referred to as the System Benefits Charge (SBC).

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

See Must-Run Generation – Rider No. 2 for treatment of variable Must-Run Generation.

MARKET GENERATION CREDIT (MGC) and STRANDED COST RECOVERY

The floating CTC is used to recover a portion of stranded cost and is calculated using a MGC methodology. The MGC is determined quarterly, with such change set 45 days prior to each quarter, although the amount will vary month to month. The floating CTC equals the difference between the customer's bundled rate and the sum of the MGC, the Adder (pursuant to Adder Associated with MGC – Rider No. 1), and the unbundled charges for a) distribution, b) transmission, c) meter services, d) meter reading services, e) billing and collection, f) demand-side management system benefits charge, g) customer information and lifeline discount system benefits charge, h) uncollectible accounts, i)

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

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Effective: January 1, 2000

DIRECT ACCESS
LARGE GENERAL SERVICE SCHEDULE NO. 13

ancillary services (Transmission and Ancillary Services – Rider No. 3), j) fixed must-run generation (Must-Run Generation – Rider No. 2), and k) fixed CTC (Fixed CTC by Class – Rider No. 4). In a given quarter, the floating CTC can have a negative value, in which case the negative value will be credited to the customer's monthly bill. The floating CTC for an ESA customer shall be calculated using the customer's ESA price as of May 1, 1999 (subject to any automatic escalation provisions contained in the ESA) as the customer's bundled rate per the Company's Amended Settlement Agreement of 1999, §2.1(h).

The monthly MGC will be calculated using an on-peak component and an off-peak component and will be calculated in advance. The monthly on-peak component will be equal to a market price multiplied by the quantity of 1 plus the appropriate line loss (including UFE). The market price will be equal to the Palo Verde NYMEX futures price, except when adjusted for the variable cost of must-run generation. The off-peak component will be determined in the same manner as the on-peak component, except that the Palo Verde futures price will be adjusted by the ratio of off-peak to on-peak hourly prices from the California Power Exchange of the same month from the preceding year.

ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AISA) CHARGE

A charge of \$0.00004473 per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AISA in Arizona.

BILLING DEMAND

The maximum 15 minute measured demand in the month, but not less than 50% of the maximum demand used for billing purposes in the preceding 11 months, nor less than the contract demand, nor less than 200 kW.

ADJUSTMENT FOR TRANSFORMER OWNERSHIP AND METERING

1. When Company owns transformers and energy is metered on primary side of transformers, the demand shall be metered and the above schedule subject to a discount of 10.3¢ per kW per month of the billing demand each month.
2. When Customer owns transformers and energy is metered on primary side of transformers, the demand shall be metered and the above schedule subject to a discount of 20.6¢ per kW per month of the billing demand each month.
3. When Customer owns transformers and, at Company's option, energy is metered on secondary side of transformers, the demand shall be metered and the above schedule subject to a discount of 10.3¢ per kW per month of the billing demand each month.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

Service Connection Charges

1. There shall be a \$13.50 charge for the initial establishment of each new service for each Customer.
2. There shall be a \$13.50 charge for the re-establishment of each service for each Customer.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

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LARGE GENERAL SERVICE SCHEDULE NO. 13

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this rate schedule.

The Company may require a written contract and a minimum term of contract.

Optional rates are or may become available for certain classes of Customers. Upon application for service or upon request the Company will assist the Customer in selecting the rate schedule best suited to the Customer's requirements, but Company does not guarantee that Customers will be served under the most favorable rate schedule. Upon written notification of any material changes in Customer's installation, load conditions, or use of service, Company will assist in determining if a change in rates is desirable, but not more than one such change in rates will be made within any twelve-month period.

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Tucson, Arizona

Filed by: Steven J. GlaserTitle: Vice President, Rates & Regulatory SupportDistrict: Entire Electric Service AreaTariff No. 14Sheet No. 1 of 4

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Effective: January 1, 2000

DIRECT ACCESS
LARGE LIGHT AND POWER SCHEDULE NO. 14

The Company's following Riders apply to this tariff: Adder Associated with MGC – Rider No. 1; Must-Run Generation – Rider No. 2; Transmission and Ancillary Services – Rider No. 3; Fixed CTC by Class – Rider No. 4; and Transmission Credit – Rider No. 5.

AVAILABILITY

Rate No. 14 shall be available for any Customer within the service territory of the Company if the Company has facilities of adequate capacity and a written contract, covering such matters as the Company and Customer shall deem appropriate. Also applicable to ESA (special contract) customers who, after expiration of their contracts pursuant to the Company's Amended Settlement Agreement, choose to take Direct Access service.

CHARACTER OF SERVICE

Service shall be three phase, 60 Hertz, and shall be supplied directly from any 46,000 volt, or higher voltage, system through distribution facilities used exclusively to serve Rate 14 customers at a delivery voltage of not less than 2,400/4,160 volts and delivered at a single point of delivery unless otherwise specified in the contract.

RATES

A monthly net bill based on the following, as applicable, plus any adjustments incorporated in this Schedule:

Distribution - Primary

Applicability: Required for Direct Access Service.

Demand Charge	\$0.000000 per kW
Summer kWh	\$0.000000 per kWh
Winter kWh	\$0.000000 per kWh

Distribution - Secondary

Applicability: Required for Direct Access Service.

Applies to primary & secondary customers; a primary discount may apply to primary customers.

Demand Charge	\$0.000000 per kW
Summer kWh	\$0.000000 per kWh
Winter kWh	\$0.000000 per kWh

Distribution - Customer Service Drop

Applicability: Required for Direct Access Service.

Price of Service:	\$0.000000 per customer per month
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Uncollectible Accounts

Applicability: Required for Direct Access Service.

Demand Charge	\$0.018679 per kW
For all kWh	\$0.000084 per kWh

Fixed Must-Run

Applicability: Required for Direct Access Service.

See Must-Run Generation - Rider No. 2

Price of Service:	\$0.002900 per kWh
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LARGE LIGHT AND POWER SCHEDULE NO. 14

Fixed CTC

Applicability: Required for Direct Access Service.

Note: *The charge shown here is a weighted class average based upon load factor.*

See Fixed CTC by Class - Rider No. 4

Price of Service: \$0.006244 per kWh

Floating CTC

Applicability: Required for Direct Access Service.

See Market Generation Credit (MGC) and Stranded Cost Recovery section of this Tariff.

Demand Side Management

Applicability: Required System Benefits Charge for Direct Access Service.

Demand Charge \$0.086905 per kW

For all kWh \$0.000391 per kWh

Customer Information and Lifeline Discount

Applicability: Required System Benefits Charge for Direct Access Service.

Demand Charge \$0.096351 per kW

For all kWh \$0.000134 per kWh

Meter Services

Applicability: Required for Direct Access Service; may be purchased from a qualified third party.

Installation \$59.712326 per customer per month

Maintenance \$59.712326 per customer per month

Equipment \$477.698607 per customer per month

Subtotal \$597.123258 per customer per month

Meter Reading Services

Applicability: Required for Direct Access Service; may be purchased from a qualified third party.

Price of Service: \$28.317738 per customer per month

Billing and Collection

Applicability: Required for Direct Access Service; may be purchased from a qualified third party.

Price of Service: \$88.944306 per customer per month

Transmission

Applicability: Required for Direct Access Service pursuant to the Company's OATT.

The following OATT rate is shown below for information and for calculation of the floating CTC.

See Transmission Rider No. 3.

As of June 7, 1999, the transmission charges are as follows:

EHV \$2.259000 per kW / Month

Non-EHV \$0.757000 per kW / Month

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LARGE LIGHT AND POWER SCHEDULE NO. 14

Ancillary Services

Applicability: Required for Direct Access Service pursuant to the Company's OATT.

The following OATT rates are shown below for information and for calculation of the floating CTC.

See Transmission Rider No. 3.

As of June 7, 1999, the charges are as follows:

System Control & Dispatch	\$0.041000 per kW / Month
Reactive Supply and Voltage Control	\$0.161000 per kW / Month
Regulation and Frequency Response	\$0.156000 per kW / Month
Energy Imbalance Service	(see Notes)
Spinning Reserve Service	\$0.423000 per kW / Month
Supplemental Reserve Service	\$0.069000 per kW / Month

Notes:

- 1) A loss factor adjustment (5.4%) shall be made for Transmission and Ancillary Services.
- 2) Energy Imbalance Service currently charged pursuant to the Company's OATT, which is subject to change pursuant to AISA protocols.

ADDITIONAL NOTES

Summer billing months are May through October and winter billing months are November through April. Demand-Side Management, Customer Information and Lifeline Discount are collectively referred to as the System Benefits Charge (SBC).

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

See Must-Run Generation – Rider No. 2 for treatment of variable Must-Run Generation.

MARKET GENERATION CREDIT (MGC) and STRANDED COST RECOVERY

The floating CTC is used to recover a portion of stranded cost and is calculated using a MGC methodology. The MGC is determined quarterly, with such change set 45 days prior to each quarter, although the amount will vary month to month. The floating CTC equals the difference between the customer's bundled rate and the sum of the MGC, the Adder (pursuant to Adder Associated with MGC – Rider No. 1), and the unbundled charges for a) distribution, b) transmission, c) meter services, d) meter reading services, e) billing and collection, f) demand-side management system benefits charge, g) customer information and lifeline discount system benefits charge, h) uncollectible accounts, i) ancillary services (Transmission and Ancillary Services – Rider No. 3), j) fixed must-run generation (Must-Run Generation – Rider No. 2), and k) fixed CTC (Fixed CTC by Class – Rider No. 4). In a given quarter, the floating CTC can have a negative value, in which case the negative value will be credited to the customer's monthly bill. The floating CTC for an ESA customer shall be calculated using the customer's ESA price as of May 1, 1999 (subject to any automatic escalation provisions contained in the ESA) as the customer's bundled rate per the Company's Amended Settlement Agreement of 1999, §2.1(h).

The monthly MGC will be calculated using an on-peak component and an off-peak component and will be calculated in advance. The monthly on-peak component will be equal to a market price multiplied by the quantity of 1 plus the appropriate line loss (including UFE). The market price will be equal to the Palo Verde NYMEX futures price, except when adjusted for the variable cost of must-run generation. The off-peak

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LARGE LIGHT AND POWER SCHEDULE NO. 14

component will be determined in the same manner as the on-peak component, except that the Palo Verde futures price will be adjusted by the ratio of off-peak to on-peak hourly prices from the California Power Exchange of the same month from the preceding year.

ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AISA) CHARGE

A charge of \$0.00004473 per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AISA in Arizona.

BILLING DEMAND

The billing demand shall be specified in the contract, but shall not be less than 3,000 kW. Additionally, the billing demand shall not be less than 66.67% of the maximum billing demand in the preceding eleven months, unless otherwise specified in the contract.

POWER FACTOR ADJUSTMENT

The above rate is subject to a discount or a charge of 1.3¢ per kW of billing demand for each 1% the average monthly power factor is above or below 90% lagging to a maximum discount of 13.0¢ per kW of billing demand per month.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

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Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

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Effective: January 1, 2000

DIRECT ACCESS
RESIDENTIAL TIME-OF-USE SCHEDULE NO. 21 (FROZEN)

The Company's following Riders apply to this tariff: Adder Associated with MGC – Rider No. 1; Must-Run Generation – Rider No. 2; Transmission and Ancillary Services – Rider No. 3; Fixed CTC by Class – Rider No. 4; and Transmission Credit – Rider No. 5.

AVAILABILITY

Throughout the entire area where the facilities of the Company are of adequate capacity and are adjacent to the premises. Access to the meter during normal working hours is also a prerequisite for this rate schedule.

APPLICABILITY

To any Customer entitled to single phase service under Rate No. 1. Preference may be given to those Customers whose historic or expected annual usage exceeds 16,000 kWh. Service must be single phase residential electric service in individual private dwellings and individually metered multi-family units when all service is supplied at one point of delivery and energy is metered through one meter; however, controlled off-peak electric water heating may be metered separately.

Not applicable to three phase service, resale, breakdown, temporary, standby, or auxiliary service, or service to individual motors exceeding 40 amperes at a rating of 230 volts or which will cause excessive voltage fluctuations.

The total number of Customers served under this Time-of-Use Schedule is limited to 5,000. Service under this schedule will commence when the appropriate meter has been installed. Customers must stay on this Schedule for a minimum period of one year.

The waiting list for service under this Time-of-Use Rate Schedule was frozen as of March 31, 1996.

As meters become available from the original group of 5,000, customers on the frozen waiting list will be offered service under this Rate Schedule in the order that they were placed on the waiting list.

Customers currently served under this Rate Schedule that change residences will not be allowed to receive service under this Rate Schedule at their new residence.

Because this Rate Schedule requires a type of meter that is not normally used, the Company makes no guarantee that meters will be installed within any specific time. However, the Company will make its best effort to install the special meter within a reasonable time.

CHARACTER OF SERVICE

Single phase, 60 Hertz, nominal 120/240 volts.

RATES

A monthly net bill based on the following, as applicable, plus any adjustments incorporated in this Schedule:

Distribution - Primary

Applicability: Required for Direct Access Service.

Price of Service:

\$0.019158 per kWh

Distribution - Secondary

Applicability: Required for Direct Access Service.

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Applies to primary & secondary customers; a primary discount may apply to primary customers.

Price of Service: *\$0.007091 per kWh*

Distribution - Customer Service Drop

Applicability: Required for Direct Access Service.

Price of Service: *\$0.603377 per customer per month*

Uncollectible Accounts

Applicability: Required for Direct Access Service.

Price of Service: *\$0.000133 per kWh*

Fixed Must-Run

Applicability: Required for Direct Access Service.

See Must-Run Generation - Rider No. 2

Price of Service: *\$0.005017 per kWh*

Fixed CTC

Applicability: Required for Direct Access Service.

See Fixed CTC by Class - Rider No. 4

Price of Service: *\$0.010800 per kWh*

Floating CTC

Applicability: Required for Direct Access Service.

See Market Generation Credit (MGC) and Stranded Cost Recovery section of this Tariff.

Demand Side Management

Applicability: Required System Benefits Charge for Direct Access Service.

Price of Service: *\$0.000617 per kWh*

Customer Information and Lifeline Discount

Applicability: Required System Benefits Charge for Direct Access Service.

Price of Service: *\$0.000684 per kWh*

Meter Services

Applicability: Required for Direct Access Service; may be purchased from a qualified third party.

Installation *\$1.503195 per customer per month*

Maintenance *\$0.300639 per customer per month*

Equipment *\$1.202556 per customer per month*

Subtotal *\$3.006389 per customer per month*

Meter Reading Services

Applicability: Required for Direct Access Service; may be purchased from a qualified third party.

Price of Service: *\$0.801807 per customer per month*

Billing and Collection

Applicability: Required for Direct Access Service; may be purchased from a qualified third party.

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DIRECT ACCESS
RESIDENTIAL TIME-OF-USE SCHEDULE NO. 21 (FROZEN)

Price of Service: \$2.518427 per customer per month

Transmission - Group A: For customers under 20 kW and not demand metered.

Applicability: Required for Direct Access Service pursuant to the Company's OATT.

The rates in Transmission Credit – Rider No. 5 will be used for the Transmission Credit in the calculation of the floating CTC. These rates are based on the Company's OATT, but are converted to a kWh-basis for specific load-profiled customer groups.

For illustrative purposes, an estimated rate is shown below.

Energy-based rate for transmission: \$0.008724 per kWh

Transmission - Group B: For customers not in Group A.

Applicability: Required for Direct Access Service pursuant to the Company's OATT.

The following OATT rate is shown below for information and for calculation of the floating CTC.

See Transmission Rider No. 3.

As of June 7, 1999, the transmission charges are as follows:

EHV	\$2.259000 per kW / Month
Non-EHV	\$0.757000 per kW / Month

Ancillary Services - Group A: For customers under 20 kW and not demand metered.

Applicability: Required for Direct Access Service pursuant to the Company's OATT.

The rates in Transmission Credit – Rider No. 5 will be used for the Transmission Credit in the calculation of the floating CTC. These rates are based on the Company's OATT, but are converted to a kWh-basis for specific load-profiled customer groups.

For illustrative purposes, estimated rates are shown below.

System Control & Dispatch	\$0.000119 per kWh
Reactive Supply and Voltage Control	\$0.000466 per kWh
Regulation and Frequency Response	\$0.000451 per kWh
Energy Imbalance Service	(see Notes)
Spinning Reserve Service	\$0.001223 per kWh
Supplemental Reserve Service	\$0.000200 per kWh

Ancillary Services - Group B: For customers not in Group A.

Applicability: Required for Direct Access Service pursuant to the Company's OATT.

The following OATT rates are shown below for information and for calculation of the floating CTC.

See Transmission Rider No. 3.

As of June 7, 1999, the charges are as follows:

System Control & Dispatch	\$0.041000 per kW / Month
Reactive Supply and Voltage Control	\$0.161000 per kW / Month
Regulation and Frequency Response	\$0.156000 per kW / Month
Energy Imbalance Service	(see Notes)
Spinning Reserve Service	\$0.423000 per kW / Month
Supplemental Reserve Service	\$0.069000 per kW / Month

Notes:

1) A loss factor adjustment (5.4%) shall be made for Transmission and Ancillary Services.

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- 2) Energy Imbalance Service currently charged pursuant to the Company's OATT, which is subject to change pursuant to AISA protocols.

ADDITIONAL NOTES

Summer billing months are May through October and winter billing months are November through April. Demand-Side Management, Customer Information and Lifeline Discount are collectively referred to as the System Benefit Charge (SBC).

During the summer season, the On-Peak period is 10:00 a.m. to 10:00 p.m., Monday through Friday (excluding Memorial Day, Independence Day, and Labor Day). During the winter season, the On-Peak periods are 7:00 a.m. - 11:00 a.m. and 6:00 p.m. - 9:00 p.m., Monday through Friday (excluding Thanksgiving Day, Christmas Day, and New Year's Day). All other hours are Off-Peak. If a holiday falls on Saturday, the preceding Friday is designated Off-Peak; if a holiday falls on Sunday, the following Monday is designated Off-Peak.

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

See Must-Run Generation – Rider No. 2 for treatment of variable Must-Run Generation.

MARKET GENERATION CREDIT (MGC) and STRANDED COST RECOVERY

The floating CTC is used to recover a portion of stranded cost and is calculated using a MGC methodology. The MGC is determined quarterly, with such change set 45 days prior to each quarter, although the amount will vary month to month. The floating CTC equals the difference between the customer's bundled rate and the sum of the MGC, the Adder (pursuant to Adder Associated with MGC – Rider No. 1), and the unbundled charges for a) distribution, b) transmission, c) meter services, d) meter reading services, e) billing and collection, f) demand-side management system benefits charge, g) customer information and lifeline discount system benefits charge, h) uncollectible accounts, i) ancillary services (Transmission and Ancillary Services – Rider No. 3), j) fixed must-run generation (Must-Run Generation – Rider No. 2), and k) fixed CTC (Fixed CTC by Class – Rider No. 4). In a given quarter, the floating CTC can have a negative value, in which case the negative value will be credited to the customer's monthly bill.

The monthly MGC will be calculated using an on-peak component and an off-peak component and will be calculated in advance. The monthly on-peak component will be equal to a market price multiplied by the quantity of 1 plus the appropriate line loss (including UFE). The market price will be equal to the Palo Verde NYMEX futures price, except when adjusted for the variable cost of must-run generation. The off-peak component will be determined in the same manner as the on-peak component, except that the Palo Verde futures price will be adjusted by the ratio of off-peak to on-peak hourly prices from the California Power Exchange of the same month from the preceding year.

ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AISA) CHARGE

A charge of \$0.00004473 per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AISA in Arizona.

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Tucson, Arizona

Filed by: Steven J. Glaser

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TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

Service Connection Charges

1. There shall be a \$13.50 charge for the initial establishment of each new service for each Customer.
2. There shall be a \$13.50 charge for the re-establishment of each service for each Customer.

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this rate schedule.

Optional rates are or may become available for certain classes of Customers. Upon application for service or upon request the Company will assist the Customer in selecting the rate schedule best suited to the Customer's requirements, but Company does not guarantee that Customers will be served under the most favorable rate schedule. Upon written notification of any material changes in Customer's installation, load conditions, or use of service, Company will assist in determining if a change in rates is desirable, but not more than one such change in rates will be made within any twelve-month period.

Electric space heating and water heating equipment and installation shall conform to the Company's requirements.

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Tucson, Arizona

Filed by: Steven J. Glaser

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District: Entire Electric Service Area

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Effective: January 1, 2000

DIRECT ACCESS
INTERRUPTIBLE AGRICULTURAL PUMPING SCHEDULE NO. 31

The Company's following Riders apply to this tariff: Adder Associated with MGC – Rider No. 1; Must-Run Generation – Rider No. 2; Transmission and Ancillary Services – Rider No. 3; Fixed CTC by Class – Rider No. 4; and Transmission Credit – Rider No. 5.

AVAILABILITY

Available for interruptible service to agricultural pumping customers throughout the entire area where the facilities of the Company are of adequate capacity and are adjacent to the premises.

APPLICABILITY

Applicable to separately metered interruptible agricultural water pumping service for irrigation purposes of the Customer only.

Not applicable to resale, breakdown, standby, auxiliary, or any other service except agricultural pumping in accordance with the provisions of this rate schedule.

CHARACTER OF SERVICE

Three phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery. Primary metering may be used by mutual agreement.

RATES

A monthly net bill based on the following, as applicable, plus any adjustments incorporated in this Schedule:

Distribution - Primary

Applicability: Required for Direct Access Service.

Summer kWh \$0.005723 per kWh

Winter kWh \$0.005529 per kWh

Distribution - Secondary

Applicability: Required for Direct Access Service.

Applies to primary & secondary customers; a primary discount may apply to primary customers.

Summer kWh \$0.003186 per kWh

Winter kWh \$0.003106 per kWh

Distribution - Customer Service Drop

Applicability: Required for Direct Access Service.

Summer kWh \$0.000310 per kWh

Winter kWh \$0.000302 per kWh

Uncollectible Accounts

Applicability: Required for Direct Access Service.

Price of Service: \$0.000106 per kWh

Fixed Must-Run

Applicability: Required for Direct Access Service.

See Must-Run Generation - Rider No. 2

Price of Service: \$0.003752 per kWh

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INTERRUPTIBLE AGRICULTURAL PUMPING SCHEDULE NO. 31

Fixed CTC

Applicability: Required for Direct Access Service.

See Fixed CTC by Class - Rider No. 4

Price of Service: \$0.008077 per kWh

Floating CTC

Applicability: Required for Direct Access Service.

See Market Generation Credit (MGC) and Stranded Cost Recovery section of this Tariff.

Demand Side Management

Applicability: Required System Benefits Charge for Direct Access Service.

Price of Service: \$0.000493 per kWh

Customer Information and Lifeline Discount

Applicability: Required System Benefits Charge for Direct Access Service.

Price of Service: \$0.000547 per kWh

Meter Services

Applicability: Required for Direct Access Service; may be purchased from a qualified third party.

Installation

Summer \$0.000199 per kWh

Winter \$0.000194 per kWh

Maintenance

Summer \$0.000040 per kWh

Winter \$0.000039 per kWh

Equipment

Summer \$0.000159 per kWh

Winter \$0.000155 per kWh

Meter Reading Services

Applicability: Required for Direct Access Service; may be purchased from a qualified third party.

Summer \$0.000089 per kWh

Winter \$0.000087 per kWh

Billing and Collection

Applicability: Required for Direct Access Service; may be purchased from a qualified third party.

Summer \$0.000332 per kWh

Winter \$0.000324 per kWh

Transmission - Group A: For customers under 20 kW and not demand metered.

Applicability: Required for Direct Access Service pursuant to the Company's OATT.

The rates in Transmission Credit -- Rider No. 5 will be used for the Transmission Credit in the calculation of the floating CTC. These rates are based on the Company's OATT, but are converted to a kWh-basis for specific load-profiled customer groups.

For illustrative purposes, an estimated rate is shown below.

Energy-based rate for transmission: \$0.006524 per kWh

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. GlaserTitle: Vice President, Rates & Regulatory SupportDistrict: Entire Electric Service AreaTariff No. 31Sheet No. 3 of 5

Revision No. _____

Effective: January 1, 2000

DIRECT ACCESS
INTERRUPTIBLE AGRICULTURAL PUMPING SCHEDULE NO. 31

Transmission - Group B: For customers not in Group A.

Applicability: Required for Direct Access Service pursuant to the Company's OATT.

The following OATT rate is shown below for information and for calculation of the floating CTC.

See Transmission Rider No. 3.

As of June 7, 1999, the transmission charges are as follows:

EHV	\$2.259000 per kW / Month
Non-EHV	\$0.757000 per kW / Month

Ancillary Services - Group A: For customers under 20 kW and not demand metered.

Applicability: Required for Direct Access Service pursuant to the Company's OATT.

The rates in Transmission Credit -- Rider No. 5 will be used for the Transmission Credit in the calculation of the floating CTC. These rates are based on the Company's OATT, but are converted to a kWh-basis for specific load-profiled customer groups.

For illustrative purposes, estimated rates are shown below.

System Control & Dispatch	\$0.000089 per kWh
Reactive Supply and Voltage Control	\$0.000348 per kWh
Regulation and Frequency Response	\$0.000337 per kWh
Energy Imbalance Service	(see Notes)
Spinning Reserve Service	\$0.000915 per kWh
Supplemental Reserve Service	\$0.000149 per kWh

Ancillary Services - Group B: For customers not in Group A.

Applicability: Required for Direct Access Service pursuant to the Company's OATT.

The following OATT rates are shown below for information and for calculation of the floating CTC.

See Transmission Rider No. 3.

As of June 7, 1999, the charges are as follows:

System Control & Dispatch	\$0.041000 per kW / Month
Reactive Supply and Voltage Control	\$0.161000 per kW / Month
Regulation and Frequency Response	\$0.156000 per kW / Month
Energy Imbalance Service	(see Notes)
Spinning Reserve Service	\$0.423000 per kW / Month
Supplemental Reserve Service	\$0.069000 per kW / Month

Notes:

- 1) A loss factor adjustment (5.4%) shall be made for Transmission and Ancillary Services.
- 2) Energy Imbalance Service currently charged pursuant to the Company's OATT, which is subject to change pursuant to AISA protocols.

DETERMINATION OF HORSEPOWER FOR BILLING

Horsepower connected shall be the manufacturer's nameplate rating of all equipment of Customer connected for service under this schedule, but not less than 60 hp.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

Tariff No. 31

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Revision No. _____

Effective: January 1, 2000

DIRECT ACCESS
INTERRUPTIBLE AGRICULTURAL PUMPING SCHEDULE NO. 31

MINIMUM BILL

The Customer guarantees that its load shall be sufficient such that a summation of all the above payments shall be not less than \$30.00 per hp connected per contract year (which shall be from April 1 to March 31 of the following year) and in no event less than \$1,800.00 per contract year. Minimum payments at the rate of \$2.50 per hp of motors connected, but not less than \$150.00 shall be made monthly.

If during the contract year the total payments exceed the annual guarantee of \$30.00 per hp connected but not less than \$1,800.00, then the Customer shall be credited the difference between the amount actually paid during the contract year and the amount which would have been paid had the monthly minimum charge not been applied.

ADDITIONAL NOTES

Summer billing months are May through October and winter billing months are November through April. Demand-Side Management, Customer Information and Lifeline Discount are collectively referred to as the System Benefit Charge (SBC).

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

See Must-Run Generation – Rider No. 2 for treatment of variable Must-Run Generation.

MARKET GENERATION CREDIT (MGC) and STRANDED COST RECOVERY

The floating CTC is used to recover a portion of stranded cost and is calculated using a MGC methodology. The MGC is determined quarterly, with such change set 45 days prior to each quarter, although the amount will vary month to month. The floating CTC equals the difference between the customer's bundled rate and the sum of the MGC, the Adder (pursuant to Adder Associated with MGC – Rider No. 1), and the unbundled charges for a) distribution, b) transmission, c) meter services, d) meter reading services, e) billing and collection, f) demand-side management system benefits charge, g) customer information and lifeline discount system benefits charge, h) uncollectible accounts, i) ancillary services (Transmission and Ancillary Services – Rider No. 3), j) fixed must-run generation (Must-Run Generation – Rider No. 2), and k) fixed CTC (Fixed CTC by Class – Rider No. 4). In a given quarter, the floating CTC can have a negative value, in which case the negative value will be credited to the customer's monthly bill.

The monthly MGC will be calculated using an on-peak component and an off-peak component and will be calculated in advance. The monthly on-peak component will be equal to a market price multiplied by the quantity of 1 plus the appropriate line loss (including UFE). The market price will be equal to the Palo Verde NYMEX futures price, except when adjusted for the variable cost of must-run generation. The off-peak component will be determined in the same manner as the on-peak component, except that the Palo Verde futures price will be adjusted by the ratio of off-peak to on-peak hourly prices from the California Power Exchange of the same month from the preceding year.

ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AISA) CHARGE

A charge of \$0.00004473 per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AISA in Arizona.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

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Revision No. _____

Effective: January 1, 2000

DIRECT ACCESS
INTERRUPTIBLE AGRICULTURAL PUMPING SCHEDULE NO. 31

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

TERMS AND CONDITIONS OF SERVICE

1. Customer must furnish, install, own, and maintain at each point of delivery all necessary Company approved equipment which will enable the Company to interrupt service with its master control station.
2. Service may be interrupted by Company during certain periods of the day not exceeding six hours in any 24-hour period.
3. Company will endeavor to give customer one hour notice of impending interruption; however, service may be interrupted without notice should Company deem such action necessary.
4. Where service other than agricultural pumping to which this rate is applicable has been taken hereunder, the general service rate shall be applied on a monthly basis to all usage billed hereunder during the previous twelve months less the aggregate of payments made hereunder for the same period of time. The general service rate shall continue to apply until the unauthorized service is permanently separated from the agricultural pumping service.
5. Company shall not be liable for any loss or damage caused by or resulting from any interruption of service.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this rate schedule.

The Company shall require a written contract.

Optional rates are or may become available for certain classes of Customers. Upon application for service or upon request the Company will assist the Customer in selecting the rate schedule best suited to the Customer's requirements, but Company does not guarantee that Customers will be served under the most favorable rate schedule. Upon written notification of any material changes in Customer's installation, load conditions, or use of service, Company will assist in determining if a change in rates is desirable, but not more than one such change in rates will be made within any twelve-month period.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

Tariff No. 40

Sheet No. 1 of 4

Revision No. _____

Effective: January 1, 2000

DIRECT ACCESS
MUNICIPAL SERVICE SCHEDULE NO. 40

The Company's following Riders apply to this tariff: Adder Associated with MGC – Rider No. 1; Must-Run Generation – Rider No. 2; Transmission and Ancillary Services – Rider No. 3; Fixed CTC by Class – Rider No. 4; and Transmission Credit – Rider No. 5.

AVAILABILITY

Available for Municipal Service where the facilities of the Company are of adequate capacity and are adjacent to the premises.

APPLICABILITY

Applicable for service to the City of Tucson and City of South Tucson for Municipal buildings and grounds.

Not applicable to resale, breakdown, standby, or auxiliary service or to buildings used for residential purposes.

CHARACTER OF SERVICE

Single or three phase, 60 Hertz, at secondary voltage and subject to availability at point of delivery approved by the Company.

RATES

A monthly net bill based on the following, as applicable, plus any adjustments incorporated in this Schedule:

Distribution - Primary

Applicability: Required for Direct Access Service.

Summer kWh

\$0.007918 *per kWh*

Winter kWh

\$0.007412 *per kWh*

Distribution - Secondary

Applicability: Required for Direct Access Service.

Applies to primary & secondary customers; a primary discount may apply to primary customers.

Summer kWh

\$0.004194 *per kWh*

Winter kWh

\$0.003984 *per kWh*

Distribution - Customer Service Drop

Applicability: Required for Direct Access Service.

Summer kWh

\$0.000169 *per kWh*

Winter kWh

\$0.000160 *per kWh*

Uncollectible Accounts

Applicability: Required System Benefits Charge for Direct Access Service.

Price of Service:

\$0.000141 *per kWh*

Fixed Must-Run

Applicability: Required for Direct Access Service.

See Must-Run Generation - Rider No. 2

Price of Service:

\$0.004876 *per kWh*

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. GlaserTitle: Vice President, Rates & Regulatory SupportDistrict: Entire Electric Service AreaTariff No. 40Sheet No. 2 of 4

Revision No. _____

Effective: January 1, 2000**DIRECT ACCESS**
MUNICIPAL SERVICE SCHEDULE NO. 40**Fixed CTC**

Applicability: Required for Direct Access Service.

See Fixed CTC by Class - Rider No. 4

Price of Service:

\$0.010497 per kWh

Floating CTC

Applicability: Required for Direct Access Service.

See Market Generation Credit (MGC) and Stranded Cost Recovery section of this Tariff.

Demand Side Management

Applicability: Required System Benefits Charge for Direct Access Service.

Price of Service:

\$0.000655 per kWh

Customer Information and Lifeline Discount

Applicability: Required System Benefits Charge for Direct Access Service.

Price of Service:

\$0.000726 per kWh

Meter Services

Applicability: Required for Direct Access Service; may be purchased from a qualified third party.

Installation

Summer

\$0.000302 per kWh

Winter

\$0.000287 per kWh

Maintenance

Summer

\$0.000060 per kWh

Winter

\$0.000057 per kWh

Equipment

Summer

\$0.000242 per kWh

Winter

\$0.000229 per kWh

Meter Reading Services

Applicability: Required for Direct Access Service; may be purchased from a qualified third party.

Summer

\$0.000036 per kWh

Winter

\$0.000034 per kWh

Billing and Collection

Applicability: Required for Direct Access Service; may be purchased from a qualified third party.

Summer

\$0.000112 per kWh

Winter

\$0.000106 per kWh

Transmission - Group A: For customers under 20 kW and not demand metered.

Applicability: Required for Direct Access Service pursuant to the Company's OATT.

The rates in Transmission Credit -- Rider No. 5 will be used for the Transmission Credit in the calculation of the floating CTC. These rates are based on the Company's OATT, but are converted to a kWh-basis for specific load-profiled customer groups.

For illustrative purposes, an estimated rate is shown below.

Energy-based rate for transmission:

\$0.008479 per kWh

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

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Revision No. _____

Effective: January 1, 2000

DIRECT ACCESS
MUNICIPAL SERVICE SCHEDULE NO. 40

Transmission - Group B: For customers not in Group A.

Applicability: Required for Direct Access Service pursuant to the Company's OATT.

The following OATT rate is shown below for information and for calculation of the floating CTC.

See Transmission Rider No. 3.

As of June 7, 1999, the transmission charges are as follows:

EHV	\$2.259000 per kW / Month
Non-EHV	\$0.757000 per kW / Month

Ancillary Services - Group A: For customers under 20 kW and not demand metered.

Applicability: Required for Direct Access Service pursuant to the Company's OATT.

The rates in Transmission Credit -- Rider No. 5 will be used for the Transmission Credit in the calculation of the floating CTC. These rates are based on the Company's OATT, but are converted to a kWh-basis for specific load-profiled customer groups.

For illustrative purposes, estimated rates are shown below.

System Control & Dispatch	\$0.000115 per kWh
Reactive Supply and Voltage Control	\$0.000453 per kWh
Regulation and Frequency Response	\$0.000439 per kWh
Energy Imbalance Service	(see Notes)
Spinning Reserve Service	\$0.001189 per kWh
Supplemental Reserve Service	\$0.000194 per kWh

Ancillary Services - Group B: For customers not in Group A.

Applicability: Required for Direct Access Service, but not purchased directly by the customer.

Sold to scheduling coordinator pursuant to the Company's FERC OATT.

The following OATT rates are shown below for information and for calculation of the floating CTC.

As of June 7, 1999, the charges are as follows:

System Control & Dispatch	\$0.041000 per kW / Month
Reactive Supply and Voltage Control	\$0.161000 per kW / Month
Regulation and Frequency Response	\$0.156000 per kW / Month
Energy Imbalance Service	(see Notes)
Spinning Reserve Service	\$0.423000 per kW / Month
Supplemental Reserve Service	\$0.069000 per kW / Month

Notes:

- 1) A loss factor adjustment (5.4%) shall be made for Transmission and Ancillary Services.
- 2) Energy Imbalance Service currently charged pursuant to the Company's OATT, which is subject to change pursuant to AISA protocols.

ADDITIONAL NOTES

Summer billing months are May through October and winter billing months are November through April. Demand-Side Management, Customer Information and Lifeline Discount are collectively referred to as the System Benefit Charge (SBC).

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

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Revision No. _____

Effective: January 1, 2000

DIRECT ACCESS
MUNICIPAL SERVICE SCHEDULE NO. 40

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

See Must-Run Generation – Rider No. 2 for treatment of variable Must-Run Generation.

MARKET GENERATION CREDIT (MGC) and STRANDED COST RECOVERY

The floating CTC is used to recover a portion of stranded cost and is calculated using a MGC methodology. The MGC is determined quarterly, with such change set 45 days prior to each quarter, although the amount will vary month to month. The floating CTC equals the difference between the customer's bundled rate and the sum of the MGC, the Adder (pursuant to Adder Associated with MGC – Rider No. 1), and the unbundled charges for a) distribution, b) transmission, c) meter services, d) meter reading services, e) billing and collection, f) demand-side management system benefits charge, g) customer information and lifeline discount system benefits charge, h) uncollectible accounts, i) ancillary services (Transmission and Ancillary Services – Rider No. 3), j) fixed must-run generation (Must-Run Generation – Rider No. 2), and k) fixed CTC (Fixed CTC by Class – Rider No. 4). In a given quarter, the floating CTC can have a negative value, in which case the negative value will be credited to the customer's monthly bill.

The monthly MGC will be calculated using an on-peak component and an off-peak component and will be calculated in advance. The monthly on-peak component will be equal to a market price multiplied by the quantity of 1 plus the appropriate line loss (including UFE). The market price will be equal to the Palo Verde NYMEX futures price, except when adjusted for the variable cost of must-run generation. The off-peak component will be determined in the same manner as the on-peak component, except that the Palo Verde futures price will be adjusted by the ratio of off-peak to on-peak hourly prices from the California Power Exchange of the same month from the preceding year.

ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AISA) CHARGE

A charge of \$0.00004473 per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AISA in Arizona.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this rate schedule.

The Company may require a written contract.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

Tariff No. 41

Sheet No. 1 of 4

Revision No. _____

Effective: January 1, 2000

DIRECT ACCESS
TRAFFIC SIGNAL AND STREET LIGHTING SCHEDULE NO. 41

The Company's following Riders apply to this tariff: Adder Associated with MGC – Rider No. 1; Must-Run Generation – Rider No. 2; Transmission and Ancillary Services – Rider No. 3; Fixed CTC by Class – Rider No. 4; and Transmission Credit – Rider No. 5.

AVAILABILITY

Available for service to the State, a county, city, town, political subdivision, improvement district, or a responsible person or persons for unincorporated communities for Traffic Signal and Street Lighting purposes where the facilities of the Company are of adequate capacity and are adjacent to the premises.

APPLICABILITY

Applicable to Customer owned and maintained traffic signals and public street and highway lighting.

Not applicable to resale, breakdown, standby, or auxiliary service.

CHARACTER OF SERVICE

Single or three phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery approved by the Company.

RATES

A monthly net bill based on the following, as applicable, plus any adjustments incorporated in this Schedule:

Distribution - Primary

Applicability: Required for Direct Access Service.

Price of Service: \$0.022451 per kWh

Distribution - Secondary

Applicability: Required for Direct Access Service.

Applies to primary & secondary customers; a primary discount may apply to primary customers.

Price of Service: \$0.009475 per kWh

Distribution - Customer Service Drop

Applicability: Required for Direct Access Service.

Price of Service: \$0.004364 per kWh

Uncollectible Accounts

Applicability: Required for Direct Access Service.

Price of Service: \$0.000110 per kWh

Fixed Must-Run

Applicability: Required for Direct Access Service.

See Must-Run Generation - Rider No. 2

Price of Service: \$0.004522 per kWh

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. GlaserTitle: Vice President, Rates & Regulatory SupportDistrict: Entire Electric Service AreaTariff No. 41Sheet No. 2 of 4

Revision No. _____

Effective: January 1, 2000

DIRECT ACCESS
TRAFFIC SIGNAL AND STREET LIGHTING SCHEDULE NO. 41

Fixed CTC

Applicability: Required for Direct Access Service.

See Fixed CTC by Class - Rider No. 4

Price of Service: \$0.009736 per kWh

Floating CTC

Applicability: Required for Direct Access Service.

See Market Generation Credit (MGC) and Stranded Cost Recovery section of this Tariff.

Demand Side Management

Applicability: Required System Benefits Charge for Direct Access Service.

Price of Service: \$0.000510 per kWh

Customer Information and Lifeline Discount

Applicability: Required System Benefits Charge for Direct Access Service.

Price of Service: \$0.000566 per kWh

Meter Services

Applicability: Required for Direct Access Service; may be purchased from a qualified third party.

Installation \$0.000000 per kWh

Maintenance \$0.000000 per kWh

Equipment \$0.000000 per kWh

Subtotal \$0.000000 per kWh

Meter Reading Services

Applicability: Required for Direct Access Service; may be purchased from a qualified third party.

Price of Service: \$0.000000 per kWh

Billing and Collection

Applicability: Required for Direct Access Service; may be purchased from a qualified third party.

Price of Service: \$0.001090 per kWh

Transmission - Group A: For customers under 20 kW and not demand metered.

Applicability: Required for Direct Access Service pursuant to the Company's OATT.

The rates in Transmission Credit - Rider No. 5 will be used for the Transmission Credit in the calculation of the floating CTC. These rates are based on the Company's OATT, but are converted to a kWh-basis for specific load-profiled customer groups.

For illustrative purposes, an estimated rate is shown below.

Energy-based rate for transmission: \$0.007864 per kWh

Transmission - Group B: For customers not in Group A.

Applicability: Required for Direct Access Service pursuant to the Company's OATT.

The following OATT rate is shown below for information and for calculation of the floating CTC.

See Transmission Rider No. 3.

As of June 7, 1999, the transmission charges are as follows:

EHV \$2.259000 per kW / Month

Non-EHV \$0.757000 per kW / Month

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. GlaserTitle: Vice President, Rates & Regulatory SupportDistrict: Entire Electric Service AreaTariff No. 41Sheet No. 3 of 4

Revision No. _____

Effective: January 1, 2000

DIRECT ACCESS
TRAFFIC SIGNAL AND STREET LIGHTING SCHEDULE NO. 41

Ancillary Services - Group A: For customers under 20 kW and not demand metered.

Applicability: Required for Direct Access Service pursuant to the Company's OATT.

The rates in Transmission Credit -- Rider No. 5 will be used for the Transmission Credit in the calculation of the floating CTC. These rates are based on the Company's OATT, but are converted to a kWh-basis for specific load-profiled customer groups.

For illustrative purposes, estimated rates are shown below.

System Control & Dispatch	\$0.000107 per kWh
Reactive Supply and Voltage Control	\$0.000420 per kWh
Regulation and Frequency Response	\$0.000407 per kWh
Energy Imbalance Service	(see Notes)
Spinning Reserve Service	\$0.001103 per kWh
Supplemental Reserve Service	\$0.000180 per kWh

Ancillary Services - Group B: For customers not in Group A.

Applicability: Required for Direct Access Service pursuant to the Company's OATT.

The following OATT rates are shown below for information and for calculation of the floating CTC.

See Transmission Rider No. 3.

As of June 7, 1999, the charges are as follows:

System Control & Dispatch	\$0.041000 per kW / Month
Reactive Supply and Voltage Control	\$0.161000 per kW / Month
Regulation and Frequency Response	\$0.156000 per kW / Month
Energy Imbalance Service	(see Notes)
Spinning Reserve Service	\$0.423000 per kW / Month
Supplemental Reserve Service	\$0.069000 per kW / Month

Notes:

- 1) A loss factor adjustment (5.4%) shall be made for Transmission and Ancillary Services.
- 2) Energy Imbalance Service currently charged pursuant to the Company's OATT, which is subject to change pursuant to AISA protocols.

ADDITIONAL NOTES

Demand-Side Management, Customer Information and Lifeline Discount are collectively referred to as the System Benefit Charge (SBC).

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

See Must-Run Generation -- Rider No. 2 for treatment of variable Must-Run Generation.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

Tariff No. 41

Sheet No. 4 of 4

Revision No. _____

Effective: January 1, 2000

DIRECT ACCESS
TRAFFIC SIGNAL AND STREET LIGHTING SCHEDULE NO. 41

MARKET GENERATION CREDIT (MGC) and STRANDED COST RECOVERY

The floating CTC is used to recover a portion of stranded cost and is calculated using a MGC methodology. The MGC is determined quarterly, with such change set 45 days prior to each quarter, although the amount will vary month to month. The floating CTC equals the difference between the customer's bundled rate and the sum of the MGC, the Adder (pursuant to Adder Associated with MGC – Rider No. 1), and the unbundled charges for a) distribution, b) transmission, c) meter services, d) meter reading services, e) billing and collection, f) demand-side management system benefits charge, g) customer information and lifeline discount system benefits charge, h) uncollectible accounts, i) ancillary services (Transmission and Ancillary Services – Rider No. 3), j) fixed must-run generation (Must-Run Generation – Rider No. 2), and k) fixed CTC (Fixed CTC by Class – Rider No. 4). In a given quarter, the floating CTC can have a negative value, in which case the negative value will be credited to the customer's monthly bill.

The monthly MGC will be calculated using an on-peak component and an off-peak component and will be calculated in advance. The monthly on-peak component will be equal to a market price multiplied by the quantity of 1 plus the appropriate line loss (including UFE). The market price will be equal to the Palo Verde NYMEX futures price, except when adjusted for the variable cost of must-run generation. The off-peak component will be determined in the same manner as the on-peak component, except that the Palo Verde futures price will be adjusted by the ratio of off-peak to on-peak hourly prices from the California Power Exchange of the same month from the preceding year.

ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AISA) CHARGE

A charge of \$0.00004473 per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AISA in Arizona.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this rate schedule.

The Company may require a written contract.

Where the Customer's utilization equipment is operated on a fixed schedule and can be readily and efficiently inspected by the Company to verify its demand and/or kWh usage, the Company may supply unmetered service under this Rate Schedule upon the basis of the demand and/or kWh usage determined by the Company. The Company reserves the right at any time to meter service previously supplied on an unmetered basis. The Customer will be responsible for notifying the Company of any changes being made in the equipment connected to the system. The determined demand and/or kWh usage will be adjusted as equipment is changed.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

Tariff No. 43

Sheet No. 1 of 8

Revision No. _____

Effective: January 1, 2000

DIRECT ACCESS
MUNICIPAL WATER PUMPING SCHEDULE NO. 43

The Company's following Riders apply to this tariff: Adder Associated with MGC – Rider No. 1; Must-Run Generation – Rider No. 2; Transmission and Ancillary Services – Rider No. 3; Fixed CTC by Class – Rider No. 4; and Transmission Credit – Rider No. 5.

AVAILABILITY

Available for service to the City of Tucson Water Utility and private water Companies where the facilities of the Company are of adequate capacity and are adjacent to the premises.

APPLICABILITY

Applicable for service to booster stations and wells used for domestic water supply.

Not applicable to resale, breakdown, standby, or auxiliary service.

CHARACTER OF SERVICE

Single or three phase, 60 Hertz, and at one standard nominal voltage as elected by Customer and subject to availability at point of delivery approved by the Company. Primary metering may be used by mutual agreement.

RATES - Firm Service

A monthly net bill based on the following, as applicable, plus any adjustments incorporated in this Schedule:

Distribution - Primary

Applicability: Required for Direct Access Service.

Summer kWh \$0.004758 per kWh

Winter kWh \$0.004410 per kWh

Distribution - Secondary

Applicability: Required for Direct Access Service.

Applies to primary & secondary customers; a primary discount may apply to primary customers.

Summer kWh \$0.002884 per kWh

Winter kWh \$0.002740 per kWh

Distribution - Customer Service Drop

Applicability: Required for Direct Access Service.

Summer kWh \$0.000154 per kWh

Winter kWh \$0.000146 per kWh

Uncollectible Accounts

Applicability: Required for Direct Access Service.

Price of Service: \$0.000128 per kWh

Fixed Must-Run

Applicability: Required for Direct Access Service.

See Must-Run Generation - Rider No. 2

Price of Service: \$0.004876 per kWh

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Fixed CTC

Applicability: Required for Direct Access Service.

See Fixed CTC by Class - Rider No. 4

Price of Service:

\$0.010497 per kWh

Floating CTC

Applicability: Required for Direct Access Service.

See Market Generation Credit (MGC) and Stranded Cost Recovery section of this Tariff.

Demand Side Management

Applicability: Required System Benefits Charge for Direct Access Service.

Price of Service:

\$0.000597 per kWh

Customer Information and Lifeline Discount

Applicability: Required System Benefits Charge for Direct Access Service.

Price of Service:

\$0.000661 per kWh

Meter Services

Applicability: Required for Direct Access Service; may be purchased from a qualified third party.

Installation

Summer

\$0.000275 per kWh

Winter

\$0.000262 per kWh

Maintenance

Summer

\$0.000055 per kWh

Winter

\$0.000052 per kWh

Equipment

Summer

\$0.000220 per kWh

Winter

\$0.000209 per kWh

Meter Reading Services

Applicability: Required for Direct Access Service; may be purchased from a qualified third party.

Summer

\$0.000033 per kWh

Winter

\$0.000031 per kWh

Billing and Collection

Applicability: Required for Direct Access Service; may be purchased from a qualified third party.

Summer

\$0.000102 per kWh

Winter

\$0.000097 per kWh

Transmission - Group A: For customers under 20 kW and not demand metered.

Applicability: Required for Direct Access Service pursuant to the Company's OATT.

The rates in Transmission Credit -- Rider No. 5 will be used for the Transmission Credit in the calculation of the floating CTC. These rates are based on the Company's OATT, but are converted to a kWh-basis for specific load-profiled customer groups.

For illustrative purposes, an estimated rate is shown below.

Energy-based rate for transmission:

\$0.008479 per kWh

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Transmission - Group B: For customers not in Group A.

Applicability: Required for Direct Access Service pursuant to the Company's OATT.

The following OATT rate is shown below for information and for calculation of the floating CTC.

See Transmission Rider No. 3.

As of June 7, 1999, the transmission charges are as follows:

EHV	\$2.259000 per kW / Month
Non-EHV	\$0.757000 per kW / Month

Ancillary Services - Group A: For customers under 20 kW and not demand metered.

Applicability: Required for Direct Access Service pursuant to the Company's OATT.

The rates in Transmission Credit -- Rider No. 5 will be used for the Transmission Credit in the calculation of the floating CTC. These rates are based on the Company's OATT, but are converted to a kWh-basis for specific load-profiled customer groups.

For illustrative purposes, estimated rates are shown below.

System Control & Dispatch	\$0.000115 per kWh
Reactive Supply and Voltage Control	\$0.000453 per kWh
Regulation and Frequency Response	\$0.000439 per kWh
Energy Imbalance Service	(see Notes)
Spinning Reserve Service	\$0.001189 per kWh
Supplemental Reserve Service	\$0.000194 per kWh

Ancillary Services - Group B: For customers not in Group A.

Applicability: Required for Direct Access Service pursuant to the Company's OATT.

The following OATT rates are shown below for information and for calculation of the floating CTC.

See Transmission Rider No. 3.

As of June 7, 1999, the charges are as follows:

System Control & Dispatch	\$0.041000 per kW / Month
Reactive Supply and Voltage Control	\$0.161000 per kW / Month
Regulation and Frequency Response	\$0.156000 per kW / Month
Energy Imbalance Service	(see Notes)
Spinning Reserve Service	\$0.423000 per kW / Month
Supplemental Reserve Service	\$0.069000 per kW / Month

Notes:

- 1) A loss factor adjustment (5.4%) shall be made for Transmission and Ancillary Services.
- 2) Energy Imbalance Service currently charged pursuant to the Company's OATT, which is subject to change pursuant to AISA protocols.

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RATES - Interruptible Service:

Distribution - Primary

Applicability: Required for Direct Access Service.

Summer kWh

\$0.004884 per kWh

Winter kWh

\$0.004706 per kWh

Distribution - Secondary

Applicability: Required for Direct Access Service.

Applies to primary & secondary customers; a primary discount may apply to primary customers.

Summer kWh

\$0.002936 per kWh

Winter kWh

\$0.002862 per kWh

Distribution - Customer Service Drop

Applicability: Required for Direct Access Service.

Summer kWh

\$0.000157 per kWh

Winter kWh

\$0.000153 per kWh

Uncollectible Accounts

Applicability: Required for Direct Access Service.

Price of Service:

\$0.000132 per kWh

Fixed Must-Run

Applicability: Required for Direct Access Service.

See Must-Run Generation - Rider No. 2

Price of Service:

\$0.004876 per kWh

Fixed CTC

Applicability: Required for Direct Access Service.

See Fixed CTC by Class - Rider No. 4

Price of Service:

\$0.010497 per kWh

Floating CTC

Applicability: Required for Direct Access Service.

See Market Generation Credit (MGC) and Stranded Cost Recovery section of this Tariff.

Demand Side Management

Applicability: Required System Benefits Charge for Direct Access Service.

Price of Service:

\$0.000615 per kWh

Customer Information and Lifeline Discount

Applicability: Required System Benefits Charge for Direct Access Service.

Price of Service:

\$0.000682 per kWh

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Meter Services

Applicability: Required for Direct Access Service; may be purchased from a qualified third party.

Installation

Summer	\$0.000280 per kWh
Winter	\$0.000273 per kWh

Maintenance

Summer	\$0.000056 per kWh
Winter	\$0.000055 per kWh

Equipment

Summer	\$0.000224 per kWh
Winter	\$0.000219 per kWh

Meter Reading Services

Applicability: Required for Direct Access Service; may be purchased from a qualified third party.

Summer	\$0.000033 per kWh
Winter	\$0.000032 per kWh

Billing and Collection

Applicability: Required for Direct Access Service; may be purchased from a qualified third party.

Summer	\$0.000104 per kWh
Winter	\$0.000101 per kWh

Transmission - Group A: For customers under 20 kW and not demand metered.

Applicability: Required for Direct Access Service pursuant to the Company's OATT.

The rates in Transmission Credit -- Rider No. 5 will be used for the Transmission Credit in the calculation of the floating CTC. These rates are based on the Company's OATT, but are converted to a kWh-basis for specific load-profiled customer groups.

For illustrative purposes, an estimated rate is shown below.

Energy-based rate for transmission:	\$0.008479 per kWh
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Transmission - Group B: For customers not in Group A.

Applicability: Required for Direct Access Service pursuant to the Company's OATT.

The following OATT rate is shown below for information and for calculation of the floating CTC.
See Transmission Rider No. 3.

As of June 7, 1999, the transmission charges are as follows:

EHV	\$2.259000 per kW / Month
Non-EHV	\$0.757000 per kW / Month

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Ancillary Services - Group A: For customers under 20 kW and not demand metered.

Applicability: Required for Direct Access Service pursuant to the Company's OATT.

The rates in Transmission Credit – Rider No. 5 will be used for the Transmission Credit in the calculation of the floating CTC. These rates are based on the Company's OATT, but are converted to a kWh-basis for specific load-profiled customer groups.

For illustrative purposes, estimated rates are shown below.

System Control & Dispatch	\$0.000115 per kWh
Reactive Supply and Voltage Control	\$0.000453 per kWh
Regulation and Frequency Response	\$0.000439 per kWh
Energy Imbalance Service	(see Notes)
Spinning Reserve Service	\$0.001189 per kWh
Supplemental Reserve Service	\$0.000194 per kWh

Ancillary Services - Group B: For customers not in Group A.

Applicability: Required for Direct Access Service pursuant to the Company's OATT.

The following OATT rates are shown below for information and for calculation of the floating CTC.

See Transmission Rider No. 3.

As of June 7, 1999, the charges are as follows:

System Control & Dispatch	\$0.041000 per kW / Month
Reactive Supply and Voltage Control	\$0.161000 per kW / Month
Regulation and Frequency Response	\$0.156000 per kW / Month
Energy Imbalance Service	(see Notes)
Spinning Reserve Service	\$0.423000 per kW / Month
Supplemental Reserve Service	\$0.069000 per kW / Month

Notes:

- 1) A loss factor adjustment (5.4%) shall be made for Transmission and Ancillary Services.
- 2) Energy Imbalance Service currently charged pursuant to the Company's OATT, which is subject to change pursuant to AISA protocols.

PRIMARY VOLTAGE DISCOUNT

A discount of 5% will be allowed from the above rates where Customer owns the transformers and service is metered at primary voltage.

ADDITIONAL NOTES

Summer billing months are May through October and winter billing months are November through April. Demand-Side Management, Customer Information and Lifeline Discount are collectively referred to as the System Benefit Charge (SBC).

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

See Must-Run Generation – Rider No. 2 for treatment of variable Must-Run Generation.

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DIRECT ACCESS
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MARKET GENERATION CREDIT (MGC) and STRANDED COST RECOVERY

The floating CTC is used to recover a portion of stranded cost and is calculated using a MGC methodology. The MGC is determined quarterly, with such change set 45 days prior to each quarter, although the amount will vary month-to-month. The floating CTC equals the difference between the customer's bundled rate and the sum of the MGC, the Adder (pursuant to Adder Associated with MGC – Rider No. 1), and the unbundled charges for a) distribution, b) transmission, c) meter services, d) meter reading services, e) billing and collection, f) demand-side management system benefits charge, g) customer information and lifeline discount system benefits charge, h) uncollectible accounts, i) ancillary services (Transmission and Ancillary Services – Rider No. 3), j) fixed must-run generation (Must-Run Generation – Rider No. 2), and k) fixed CTC (Fixed CTC by Class – Rider No. 4). In a given quarter, the floating CTC can have a negative value, in which case the negative value will be credited to the customer's monthly bill.

The monthly MGC will be calculated using an on-peak component and an off-peak component and will be calculated in advance. The monthly on-peak component will be equal to a market price multiplied by the quantity of 1 plus the appropriate line loss (including UFE). The market price will be equal to the Palo Verde NYMEX futures price, except when adjusted for the variable cost of must-run generation. The off-peak component will be determined in the same manner as the on-peak component, except that the Palo Verde futures price will be adjusted by the ratio of off-peak to on-peak hourly prices from the California Power Exchange of the same month from the preceding year.

ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AISA) CHARGE

A charge of \$0.00004473 per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AISA in Arizona.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

TERMS AND CONDITIONS OF INTERRUPTIBLE SERVICE

1. Customer must furnish, install, own, and maintain at each point of delivery all necessary Company approved equipment which will enable the Company to interrupt service with its master control station.
2. Service may be interrupted by Company during certain periods of the day not exceeding six hours in any 24-hour period.
3. Company will endeavor to give Customer one hour notice of impending interruption; however, service may be interrupted without notice should Company deem such action necessary.
4. The interruptible load shall be separately served and metered and shall at no time be connected to facilities serving Customer's firm load. Conversely, the firm load shall be separately served and metered and shall at no time be connected to facilities serving Customer's interruptible load.
5. Company shall not be liable for any loss or damage caused by or resulting from any interruption of service.

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RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this rate schedule.

The Company shall require a written contract for interruptible service, and may require a written contract for firm service.

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Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

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DIRECT ACCESS
PUBLIC STREET LIGHTING SCHEDULE NO. 50

The Company's following Riders apply to this tariff: Adder Associated with MGC – Rider No. 1; Must-Run Generation – Rider No. 2; Transmission and Ancillary Services – Rider No. 3; Fixed CTC by Class – Rider No. 4; and Transmission Credit -- Rider No. 5.

AVAILABILITY

Available for service for lighting public streets, alleys, thoroughfares, public parks, and playgrounds by use of Company's standard facilities where such service is contracted under this rate schedule by the state, a county, city, town, political subdivision, improvement district, or a responsible person or persons for unincorporated communities.

APPLICABILITY

Applicable to street lighting service from dusk to dawn and Company will own, operate, and maintain the street light system including lamps and globe replacements.

CHARACTER OF SERVICE

Multiple or series street lighting system at option of Company and at one standard nominal voltage.

RATES

All charges shown are on a per customer per month basis, except where otherwise specified.

A monthly net bill based on the following, as applicable, plus any adjustments incorporated in this Schedule:

	100 W OH	250 W OH	400 W OH	Pole Add	100 W UG
Distribution - Primary					
Applicability: Required for Direct Access Service.					
Price of Service:	\$3.611763	\$5.445799	\$8.405576	\$4.010000	\$6.829507
Distribution - Secondary					
Applicability: Required for Direct Access Service.					
Applies to primary & secondary customers; a primary discount may apply to primary customers.					
Price of Service:	\$1.570971	\$2.359193	\$3.640054	\$0.000000	\$2.979097

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Tucson, Arizona

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Title: Vice President, Rates & Regulatory Support

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	100 W OH	250 W OH	400 W OH	Pole Add	100 W UG
Distribution - Customer Service Drop					
Applicability: Required for Direct Access Service.					
Price of Service:	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000
Uncollectible Accounts					
Applicability: Required for Direct Access Service.					
Price of Service:	\$0.018179	\$0.027301	\$0.042123	\$0.000000	\$0.034474
Fixed Must-Run					
Applicability: Required for Direct Access Service.					
See Must-Run Generation - Rider No. 2					
Price of Service:	\$0.123802	\$0.309504	\$0.495207	\$0.000000	\$0.123802
Fixed CTC					
Applicability: Required for Direct Access Service.					
See Fixed CTC by Class - Rider No. 4					
Price of Service:	\$0.266518	\$0.666294	\$1.066071	\$0.000000	\$0.266518
Floating CTC					
Applicability: Required for Direct Access Service.					
See Market Generation Credit (MGC) and Stranded Cost Recovery section of this Tariff.					
Demand Side Management					
Applicability: Required System Benefits Charge for Direct Access Service.					
Price of Service:	\$0.084579	\$0.127015	\$0.195975	\$0.000000	\$0.160390
Customer Information and Lifeline Discount					
Applicability: Required System Benefits Charge for Direct Access Service.					
Price of Service:	\$0.093773	\$0.140822	\$0.217278	\$0.000000	\$0.177825

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	100 W OH	250 W OH	400 W OH	Pole Add	100 W UG
Meter Services					
Applicability: Required for Direct Access Service; may be purchased from a qualified third party.					
Installation	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000
Maintenance	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000
Equipment	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000
Subtotal	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000
Meter Reading Services					
Applicability: Required for Direct Access Service; may be purchased from a qualified third party.					
Price of Service:	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000
Billing and Collection					
Applicability: Required for Direct Access Service; may be purchased from a qualified third party.					
Price of Service:	\$0.180658	\$0.271302	\$0.418598	\$0.000000	\$0.342589
Transmission - Group A: For customers under 20 kW and not demand metered.					
Applicability: Required for Direct Access Service pursuant to the Company's OATT.					
The rates in Transmission Credit -- Rider No. 5 will be used for the Transmission Credit in the calculation of the floating CTC. These rates are based on the Company's OATT, but are converted to a kWh-basis for specific load-profiled customer groups.					
<i>For illustrative purposes, an estimated rate is shown below.</i>					
Energy-based rate for transmission; converted to per customer per month basis:	\$0.110960	\$0.277400	\$0.443840	\$0.000000	\$0.110960
Transmission - Group B: For customers not in Group A.					
Applicability: Required for Direct Access Service pursuant to the Company's OATT.					
The following OATT rate is shown below for information and for calculation of the floating CTC.					
See Transmission Rider No. 3.					

As of June 7, 1999, the transmission charges are as follows:

EHV

Non-EHV

\$2.259000 per kW / Month
 \$0.757000 per kW / Month

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PUBLIC STREET LIGHTING SCHEDULE NO. 50

100 W OH 250 W OH 400 W OH Pole Add 100 W UG

Ancillary Services - Group A: For customers under 20 kW and not demand metered.

Applicability: Required for Direct Access Service pursuant to the Company's OATT.

The rates in Transmission Credit -- Rider No. 5 will be used for the Transmission Credit in the calculation of the floating CTC. These rates are based on the Company's OATT, but are converted to a kWh-basis for specific load-profiled customer groups.

For illustrative purposes, estimated rates are shown below.

System Control & Dispatch	\$0.003824	\$0.009561	\$0.015298	\$0.000000	\$0.003824
Reactive Supply and Voltage Control	\$0.015028	\$0.037571	\$0.060114	\$0.000000	\$0.015028
Regulation and Frequency Response	\$0.014580	\$0.036449	\$0.058319	\$0.000000	\$0.014580
Energy Imbalance Service	(see Notes)				
Spinning Reserve Service	\$0.039508	\$0.098769	\$0.158030	\$0.000000	\$0.039508
Supplemental Reserve Service	\$0.006434	\$0.016085	\$0.025735	\$0.000000	\$0.006434

Ancillary Services - Group B: For customers not in Group A.

Applicability: Required for Direct Access Service pursuant to the Company's OATT.

The following OATT rates are shown below for information and for calculation of the floating CTC.

See Transmission Rider No. 3.

As of June 7, 1999, the charges are as follows:

System Control & Dispatch	\$0.041000 per kW / Month
Reactive Supply and Voltage Control	\$0.161000 per kW / Month
Regulation and Frequency Response	\$0.156000 per kW / Month
Energy Imbalance Service	(see Notes)
Spinning Reserve Service	\$0.423000 per kW / Month
Supplemental Reserve Service	\$0.069000 per kW / Month

Notes:

- 1) A loss factor adjustment (5.4%) shall be made for Transmission and Ancillary Services.
- 2) Energy Imbalance Service currently charged pursuant to the Company's OATT, which is subject to change pursuant to AISA protocols.

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ADDITIONAL NOTES

Summer billing months are May through October and winter billing months are November through April. Demand-Side Management, Customer Information and Lifeline Discount are collectively referred to as the System Benefit Charge (SBC).

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

See Must-Run Generation – Rider No. 2 for treatment of variable Must-Run Generation.

MARKET GENERATION CREDIT (MGC) and STRANDED COST RECOVERY

The floating CTC is used to recover a portion of stranded cost and is calculated using a MGC methodology. The MGC is determined quarterly, with such change set 45 days prior to each quarter, although the amount will vary month-to-month. The floating CTC equals the difference between the customer's bundled rate and the sum of the MGC, the Adder (pursuant to Adder Associated with MGC – Rider No. 1), and the unbundled charges for a) distribution, b) transmission, c) meter services, d) meter reading services, e) billing and collection, f) demand-side management system benefits charge, g) customer information and life-line discount system benefits charge, h) uncollectible accounts, i) ancillary services (Transmission and Ancillary Services – Rider No. 3), j) fixed must-run generation (Must-Run Generation – Rider No. 2), and k) fixed CTC (Fixed CTC by Class – Rider No. 4). In a given quarter, the floating CTC can have a negative value, in which case the negative value will be credited to the customer's monthly bill.

The monthly MGC will be calculated using an on-peak component and an off-peak component and will be calculated in advance. The monthly on-peak component will be equal to a market price multiplied by the quantity of 1 plus the appropriate line loss (including UFE). The market price will be equal to the Palo Verde NYMEX futures price, except when adjusted for the variable cost of must-run generation. The off-peak component will be determined in the same manner as the on-peak component, except that the Palo Verde futures price will be adjusted by the ratio of off-peak to on-peak hourly prices from the California Power Exchange of the same month from the preceding year.

ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AISA) CHARGE

A charge of \$0.00004473 per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AISA in Arizona.

STANDARD LAMP UNITS, OVERHEAD SERVICE

1. The standard 100 watt lamp unit for overhead service is a 9,500 lumen high pressure sodium unit, mounted on a four foot mast arm and controlled by a photoelectric cell. This unit will be mounted on a pole approximately 25 feet above ground level.

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2. The standard 250 watt lamp unit for overhead service is a 27,500 lumen high pressure sodium unit, mounted on an eight foot mast arm and controlled by a photoelectric cell. This unit will be mounted on a pole approximately 27 feet above ground level.
3. The standard 400 watt lamp unit for overhead service is a 50,000 lumen high pressure sodium unit, mounted on an eighteen foot mast arm and controlled by a photoelectric cell. This unit will be mounted on a pole approximately 35 feet above ground level.
4. The standard 100 watt lamp unit for underground service is a 9,500 lumen high pressure sodium post top unit mounted on a pole approximately 15 feet above ground level.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may be in the future assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

SPECIAL PROVISIONS

1. Installation of a light on an existing pole is subject to prior approval of Company.
2. For underground service, where customer provides trenching up to 10 feet in accordance with Company's electric service requirements, customer shall be billed at the rates for overhead service.
3. Extensions beyond 100 feet and all installations other than those addressed in this rate schedule, will require specific agreements providing adequate revenue or arrangements for construction financing.
4. The Customer is not authorized to make connections to this lighting circuit or to make attachments or alterations to the Company owned pole.
5. If a Customer requests a relocation of a lighting installation, the costs of such relocation must be borne by the Customer.
6. The Customer is expected to notify the Company when lamp outages or malfunctions occur.
7. The Company will use diligence in maintaining service; however, monthly bills will not be reduced because of lamp outages.
8. After the minimum contract period, if any, has expired, this agreement shall be extended from year to year unless written notice of desire to terminate is given by either party at least thirty (30) days prior to the end of any such annual extension date.

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Effective: January 1, 2000

DIRECT ACCESS
PUBLIC STREET LIGHTING SCHEDULE NO. 50

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this rate schedule. Any condition not provided for herein must be the subject of a separate written agreement.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

Tariff No. 51
Sheet No. 1 of 7
Revision No. _____
Effective: January 1, 2000

DIRECT ACCESS
PRIVATE STREET AND AREA LIGHTING SCHEDULE NO. 51

The Company's following Riders apply to this tariff: Adder Associated with MGC -- Rider No. 1; Must-Run Generation -- Rider No. 2; Transmission and Ancillary Services -- Rider No. 3; Fixed CTC by Class -- Rider No. 4; and Transmission Credit -- Rider No. 5.

AVAILABILITY

At any point where the Company in its judgment has facilities of adequate capacity and suitable voltage available.

APPLICABILITY

To any Customer for private street or outdoor area lighting where this service can be supplied from existing facilities of the Company.

Service is from dusk to dawn and the Company will install, own, operate, and maintain the complete lighting installation including lamp replacements.

Not applicable to resale service.

CHARACTER OF SERVICE

Multiple or series street lighting system at option of Company and at one standard nominal voltage.

RATES

All charges shown are on a per customer per month basis, except where otherwise specified.

A monthly net bill based on the following, as applicable, plus any adjustments incorporated in this Schedule:

Distribution - Primary

Applicability: Required for Direct Access Service.

Price of Service:

	100 W OH	250 W OH	400 W OH	Pole Add	100 W UG
	\$3.611763	\$5.445799	\$8.405576	\$4.010000	\$6.829507

Distribution - Secondary

Applicability: Required for Direct Access Service.

Applies to primary & secondary customers; a primary discount may apply to primary customers.

Price of Service:

\$1.570971	\$2.359193	\$3.640054	\$0.000000	\$2.979097
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TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

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**DIRECT ACCESS
PRIVATE STREET AND AREA LIGHTING SCHEDULE NO. 51**

	100 W OH	250 W OH	400 W OH	Pole Add	100 W UG
Distribution - Customer Service Drop					
Applicability: Required for Direct Access Service.					
Price of Service:	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000
Uncollectible Accounts					
Applicability: Required for Direct Access Service.					
Price of Service:	\$0.018179	\$0.027301	\$0.042123	\$0.000000	\$0.034474
Fixed Must-Run					
Applicability: Required for Direct Access Service.					
See Must-Run Generation - Rider No. 2					
Price of Service:	\$0.123802	\$0.309504	\$0.495207	\$0.000000	\$0.123802
Fixed CTC					
Applicability: Required for Direct Access Service.					
See Fixed CTC by Class - Rider No. 4					
Price of Service:	\$0.266518	\$0.666294	\$1.066071	\$0.000000	\$0.266518
Floating CTC					
Applicability: Required for Direct Access Service.					
See Market Generation Credit (MGC) and Stranded Cost Recovery section of this Tariff.					
Demand Side Management					
Applicability: Required System Benefits Charge for Direct Access Service.					
Price of Service:	\$0.084579	\$0.127015	\$0.195975	\$0.000000	\$0.160390
Customer Information and Lifeline Discount					
Applicability: Required System Benefits Charge for Direct Access Service.					
Price of Service:	\$0.093773	\$0.140822	\$0.217278	\$0.000000	\$0.177825

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

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Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

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 Effective: January 1, 2000

DIRECT ACCESS PRIVATE STREET AND AREA LIGHTING SCHEDULE NO. 51

	100 W OH	250 W OH	400 W OH	Pole Add	100 W UG
Meter Services					
Applicability: Required for Direct Access Service; may be purchased from a qualified third party.					
Installation	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000
Maintenance	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000
<u>Equipment</u>	<u>\$0.000000</u>	<u>\$0.000000</u>	<u>\$0.000000</u>	<u>\$0.000000</u>	<u>\$0.000000</u>
Subtotal	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000
Meter Reading Services					
Applicability: Required for Direct Access Service; may be purchased from a qualified third party.					
Price of Service:	\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000
Billing and Collection					
Applicability: Required for Direct Access Service; may be purchased from a qualified third party.					
Price of Service:	\$0.180658	\$0.271302	\$0.418598	\$0.000000	\$0.342589
Transmission - Group A: For customers under 20 kW and not demand metered.					
Applicability: Required for Direct Access Service pursuant to the Company's OATT.					
The rates in Transmission Credit -- Rider No. 5 will be used for the Transmission Credit in the calculation of the floating CTC. These rates are based on the Company's OATT, but are converted to a kWh-basis for specific load-profiled customer groups.					
<i>For illustrative purposes, an estimated rate is shown below.</i>					
Energy-based rate for transmission; converted to per customer per month basis:	\$0.110960	\$0.277400	\$0.443840	\$0.000000	\$0.110960

Transmission - Group B: For customers not in Group A.

Applicability: Required for Direct Access Service pursuant to the Company's OATT.

The following OATT rate is shown below for information and for calculation of the floating CTC.

See Transmission Rider No. 3.

As of June 7, 1999, the transmission charges are as follows:

EHV

Non-EHV

\$2.259000 per kW / Month

\$0.757000 per kW / Month

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

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 Effective: January 1, 2000

**DIRECT ACCESS
 PRIVATE STREET AND AREA LIGHTING SCHEDULE NO. 51**

Ancillary Services - Group A: For customers under 20 kW and not demand metered.

Applicability: Required for Direct Access Service pursuant to the Company's OATT.

The rates in Transmission Credit -- Rider No. 5 will be used for the Transmission Credit in the calculation of the floating CTC. These rates are based on the Company's OATT, but are converted to a kWh-basis for specific load-profiled customer groups.

For illustrative purposes, estimated rates are shown below.

	100 W OH	250 W OH	400 W OH	Pole Add	100 W UG
System Control & Dispatch	\$0.003824	\$0.009561	\$0.015298	\$0.000000	\$0.003824
Reactive Supply and Voltage Control	\$0.015028	\$0.037571	\$0.060114	\$0.000000	\$0.015028
Regulation and Frequency Response	\$0.014580	\$0.036449	\$0.058319	\$0.000000	\$0.014580
Energy Imbalance Service	(see Notes)				
Spinning Reserve Service	\$0.039508	\$0.098769	\$0.158030	\$0.000000	\$0.039508
Supplemental Reserve Service	\$0.006434	\$0.016085	\$0.025735	\$0.000000	\$0.006434

Ancillary Services - Group B: For customers not in Group A.

Applicability: Required for Direct Access Service pursuant to the Company's OATT.

The following OATT rates are shown below for information and for calculation of the floating CTC.

See Transmission Rider No. 3.

As of June 7, 1999, the charges are as follows:

System Control & Dispatch	\$0.041000 per kW / Month
Reactive Supply and Voltage Control	\$0.161000 per kW / Month
Regulation and Frequency Response	\$0.156000 per kW / Month
Energy Imbalance Service	(see Notes)
Spinning Reserve Service	\$0.423000 per kW / Month
Supplemental Reserve Service	\$0.069000 per kW / Month

Notes:

- 1) A loss factor adjustment (5.4%) shall be made for Transmission and Ancillary Services.
- 2) Energy Imbalance Service currently charged pursuant to the Company's OATT, which is subject to change pursuant to AISA protocols.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

Tariff No. 51
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Effective: January 1, 2000

DIRECT ACCESS
PRIVATE STREET AND AREA LIGHTING SCHEDULE NO. 51

ADDITIONAL NOTES

Summer billing months are May through October and winter billing months are November through April. Demand-Side Management, Customer Information and Lifeline Discount are collectively referred to as the System Benefit Charge (SBC).

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

See Must-Run Generation – Rider No. 2 for treatment of variable Must-Run Generation.

MARKET GENERATION CREDIT (MGC) and STRANDED COST RECOVERY

The floating CTC is used to recover a portion of stranded cost and is calculated using a MGC methodology. The MGC is determined quarterly, with such change set 45 days prior to each quarter, although the amount will vary month-to-month. The floating CTC equals the difference between the customer's bundled rate and the sum of the MGC, the Adder (pursuant to Adder Associated with MGC – Rider No. 1), and the unbundled charges for a) distribution, b) transmission, c) meter services, d) meter reading services, e) billing and collection, f) demand-side management system benefits charge, g) customer information and lifeline discount system benefits charge, h) uncollectible accounts, i) ancillary services (Transmission and Ancillary Services – Rider No. 3), j) fixed must-run generation (Must-Run Generation – Rider No. 2), and k) fixed CTC (Fixed CTC by Class – Rider No. 4). In a given quarter, the floating CTC can have a negative value, in which case the negative value will be credited to the customer's monthly bill.

The monthly MGC will be calculated using an on-peak component and an off-peak component and will be calculated in advance. The monthly on-peak component will be equal to a market price multiplied by the quantity of 1 plus the appropriate line loss (including UFE). The market price will be equal to the Palo Verde NYMEX futures price, except when adjusted for the variable cost of must-run generation. The off-peak component will be determined in the same manner as the on-peak component, except that the Palo Verde futures price will be adjusted by the ratio of off-peak to on-peak hourly prices from the California Power Exchange of the same month from the preceding year.

ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AISA) CHARGE

A charge of \$0.00004473 per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AISA in Arizona.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

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Effective: January 1, 2000

DIRECT ACCESS
PRIVATE STREET AND AREA LIGHTING SCHEDULE NO. 51

STANDARD LAMP UNITS

1. The standard 100 watt lamp unit for overhead service is a 9,500 lumen high pressure sodium unit, mounted on a four foot mast arm and controlled by a photoelectric cell. The unit will be mounted on a pole approximately 20 feet above ground level.
2. The standard 250 watt lamp unit for overhead service is a 27,500 lumen high pressure sodium unit, mounted on an eight foot mast arm and controlled by a photoelectric cell. This unit will be mounted on a pole approximately 27 feet above ground level.
3. The standard 400 watt lamp unit for overhead service is a 50,000 lumen high pressure sodium unit, mounted on an eighteen foot mast arm and controlled by a photoelectric cell. This unit will be mounted on a pole approximately 35 feet above ground level.
4. The standard 100 watt lamp unit for underground service is a 9,500 lumen high pressure sodium post top unit mounted on a pole approximately 15 feet above ground level.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may be in the future assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

SPECIAL PROVISIONS

1. Installation of a light on an existing pole is subject to prior approval of Company.
2. For underground service, where customer provides trenching up to 10 feet in accordance with Company's electric service requirements, customer shall be billed at the rates for overhead service.
3. Extensions beyond 100 feet and all installations other than those addressed in this rate schedule will require specific agreements providing adequate revenue or arrangements for construction financing.
4. The Customer is not authorized to make connections to this lighting circuit or to make attachments or alterations to the Company owned pole.
5. If a Customer requests a relocation of a lighting installation, the costs of such relocation must be borne by the Customer.
6. The Customer is expected to notify the Company when lamp outages or malfunctions occur.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

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Effective: January 1, 2000

DIRECT ACCESS
PRIVATE STREET AND AREA LIGHTING SCHEDULE NO. 51

7. The Company will use diligence in maintaining service; however, monthly bills will not be reduced because of lamp outages.
8. The Customer may cancel a lighting service agreement by payment of the monthly bill, including any applicable tax adjustment, multiplied by the number of remaining months of the initial agreement, or the calculated "up and down" costs for the extension, whichever is lower.

CONTRACT PERIOD

All private Street and Area Lighting installations will require a standard Customer agreement for service as follows:

1. Three (3) year initial term for installation on existing facilities.
2. Four (4) year initial term or longer, at the Company's option, for installations requiring an extension of facilities.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this rate schedule. Any condition not provided for herein must be the subject of a separate written agreement.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

Tariff No. 70

Sheet No. 1 of 5

Revision No. _____

Effective: January 1, 2000

DIRECT ACCESS
RESIDENTIAL TIME-OF-USE SCHEDULE NO. 70

The Company's following Riders apply to this tariff: Adder Associated with MGC – Rider No. 1; Must-Run Generation – Rider No. 2; Transmission and Ancillary Services – Rider No. 3; Fixed CTC by Class – Rider No. 4; and Transmission Credit – Rider No. 5.

AVAILABILITY

Throughout the entire area where the facilities of the Company are of adequate capacity and are adjacent to the premises. Access to the meter during normal working hours is also a prerequisite for this rate schedule.

APPLICABILITY

To any Customer entitled to single phase service under Rate No. 1. Service is available to individual private dwellings and individually metered multi-family units when all service is supplied at one point of delivery and energy is metered through one meter; however, controlled off-peak electric water heating may be metered separately.

Not applicable to three phase service, resale, breakdown, temporary, standby, or auxiliary service, or service to individual motors exceeding 40 amperes at a rating of 230 volts or which will cause excessive voltage fluctuations.

Service under this schedule will commence when the appropriate meter has been installed. Customers must stay on this Rate Schedule for a minimum period of one year. A Customer, at his/her discretion and after being served for a twelve-month period under Rate No. 70, may opt to switch service to the Company's non-time-of-use Residential Rate No. 1. The Company shall refund to the Customer any excess moneys paid in total over the entire twelve months under Rate No. 70 that would not have been paid under Rate No. 1. A Customer shall be eligible to receive such a refund of excess moneys on a single occasion only.

Because this Rate Schedule requires a type of meter that is not normally used, the Company makes no guarantee that meters will be installed within any specific time. However, the Company will make its best effort to install the special meter within a reasonable time.

CHARACTER OF SERVICE

Single phase, 60 Hertz, nominal 120/240 volts.

RATES

A monthly net bill based on the following, as applicable, plus any adjustments incorporated in this Schedule:

Distribution - Primary

Applicability: Required for Direct Access Service.

Price of Service:

\$0.019158 per kWh

Distribution - Secondary

Applicability: Required for Direct Access Service.

Applies to primary & secondary customers; a primary discount may apply to primary customers.

Price of Service:

\$0.007091 per kWh

Distribution - Customer Service Drop

Applicability: Required for Direct Access Service.

Price of Service:

\$0.603377 per customer per month

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

Tariff No. 70

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Revision No. _____

Effective: January 1, 2000

DIRECT ACCESS
RESIDENTIAL TIME-OF-USE SCHEDULE NO. 70

Uncollectible Accounts

Applicability: Required for Direct Access Service.

Price of Service: \$0.000133 per kWh

Fixed Must-Run

Applicability: Required for Direct Access Service.

See Must-Run Generation - Rider No. 2

Price of Service: \$0.005017 per kWh

Fixed CTC

Applicability: Required for Direct Access Service.

See Fixed CTC by Class - Rider No. 4

Price of Service: \$0.010800 per kWh

Floating CTC

Applicability: Required for Direct Access Service.

See Market Generation Credit (MGC) and Stranded Cost Recovery section of this Tariff.

Demand Side Management

Applicability: Required System Benefits Charge for Direct Access Service.

Price of Service: \$0.000617 per kWh

Customer Information and Lifeline Discount

Applicability: Required System Benefits Charge for Direct Access Service.

Price of Service: \$0.000684 per kWh

Meter Services

Applicability: Required for Direct Access Service; may be purchased from a qualified third party.

Installation \$1.463195 per customer per month

Maintenance \$0.292639 per customer per month

Equipment \$1.170556 per customer per month

Subtotal \$2.926389 per customer per month

Meter Reading Services

Applicability: Required for Direct Access Service; may be purchased from a qualified third party.

Price of Service: \$0.801807 per customer per month

Billing and Collection

Applicability: Required for Direct Access Service; may be purchased from a qualified third party.

Price of Service: \$2.518427 per customer per month

Transmission - Group A: For customers under 20 kW and not demand metered.

Applicability: Required for Direct Access Service pursuant to the Company's OATT.

The rates in Transmission Credit - Rider No. 5 will be used for the Transmission Credit in the calculation of the floating CTC. These rates are based on the Company's OATT, but are converted to a kWh-basis for specific load-profiled customer groups.

For illustrative purposes, an estimated rate is shown below.

Energy-based rate for transmission: \$0.008724 per kWh

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. GlaserTitle: Vice President, Rates & Regulatory SupportDistrict: Entire Electric Service AreaTariff No. 70Sheet No. 3 of 5

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Effective: January 1, 2000

DIRECT ACCESS
RESIDENTIAL TIME-OF-USE SCHEDULE NO. 70

Transmission - Group B: For customers not in Group A.

Applicability: Required for Direct Access Service pursuant to the Company's OATT.

The following OATT rate is shown below for information and for calculation of the floating CTC.

See Transmission Rider No. 3.

As of June 7, 1999, the transmission charges are as follows:

EHV	\$2.259000 per kW / Month
Non-EHV	\$0.757000 per kW / Month

Ancillary Services - Group A: For customers under 20 kW and not demand metered.

Applicability: Required for Direct Access Service pursuant to the Company's OATT.

The rates in Transmission Credit – Rider No. 5 will be used for the Transmission Credit in the calculation of the floating CTC. These rates are based on the Company's OATT, but are converted to a kWh-basis for specific load-profiled customer groups.

For illustrative purposes, estimated rates are shown below.

System Control & Dispatch	\$0.000119 per kWh
Reactive Supply and Voltage Control	\$0.000466 per kWh
Regulation and Frequency Response	\$0.000451 per kWh
Energy Imbalance Service	(see Notes)
Spinning Reserve Service	\$0.001223 per kWh
Supplemental Reserve Service	\$0.000200 per kWh

Ancillary Services - Group B: For customers not in Group A.

Applicability: Required for Direct Access Service pursuant to the Company's OATT.

The following OATT rates are shown below for information and for calculation of the floating CTC.

See Transmission Rider No. 3.

As of June 7, 1999, the charges are as follows:

System Control & Dispatch	\$0.041000 per kW / Month
Reactive Supply and Voltage Control	\$0.161000 per kW / Month
Regulation and Frequency Response	\$0.156000 per kW / Month
Energy Imbalance Service	(see Notes)
Spinning Reserve Service	\$0.423000 per kW / Month
Supplemental Reserve Service	\$0.069000 per kW / Month

Notes:

- 1) A loss factor adjustment (5.4%) shall be made for Transmission and Ancillary Services.
- 2) Energy Imbalance Service currently charged pursuant to the Company's OATT, which is subject to change pursuant to AISA protocols.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

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Sheet No. 4 of 5

Revision No. _____

Effective: January 1, 2000

DIRECT ACCESS
RESIDENTIAL TIME-OF-USE SCHEDULE NO. 70

ADDITIONAL NOTES

Summer billing months are May through October and winter billing months are November through April. Demand-Side Management, Customer Information and Lifeline Discount are collectively referred to as the System Benefit Charge (SBC).

The Company has the option to price service in the billing months of May and October at lower levels, which levels shall not be less than marginal cost. Any shoulder consumption remaining from October usage will be billed at the summer shoulder rate in following billing months.

The summer On-Peak period is 1:00 p.m. to 6:00 p.m., Monday through Friday (excluding Memorial Day, Independence Day, and Labor Day). The summer Shoulder period is 6:00 p.m. to 8:00 p.m., Monday through Friday (excluding Memorial Day, Independence Day, and Labor Day). The winter On-Peak periods are 7:00 a.m. - 11:00 a.m. and 6:00 p.m. - 9:00 p.m., Monday through Friday (excluding Thanksgiving Day, Christmas Day, and New Year's Day). All other hours are Off-Peak. If a holiday falls on Saturday, the preceding Friday is designated Off-Peak; if a holiday falls on Sunday, the following Monday is designated Off-Peak.

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

See Must-Run Generation – Rider No. 2 for treatment of variable Must-Run Generation.

MARKET GENERATION CREDIT (MGC) and STRANDED COST RECOVERY

The floating CTC is used to recover a portion of stranded cost and is calculated using a MGC methodology. The MGC is determined quarterly, with such change set 45 days prior to each quarter, although the amount will vary month-to-month. The floating CTC equals the difference between the customer's bundled rate and the sum of the MGC, the Adder (pursuant to Adder Associated with MGC – Rider No. 1), and the unbundled charges for a) distribution, b) transmission, c) meter services, d) meter reading services, e) billing and collection, f) demand-side management system benefits charge, g) customer information and lifeline discount system benefits charge, h) uncollectible accounts, i) ancillary services (Transmission and Ancillary Services – Rider No. 3), j) fixed must-run generation (Must-Run Generation – Rider No. 2), and k) fixed CTC (Fixed CTC by Class – Rider No. 4). In a given quarter, the floating CTC can have a negative value, in which case the negative value will be credited to the customer's monthly bill.

The monthly MGC will be calculated using an on-peak component and an off-peak component and will be calculated in advance. The monthly on-peak component will be equal to a market price multiplied by the quantity of 1 plus the appropriate line loss (including UFE). The market price will be equal to the Palo Verde NYMEX futures price, except when adjusted for the variable cost of must-run generation. The off-peak component will be determined in the same manner as the on-peak component, except that the Palo Verde futures price will be adjusted by the ratio of off-peak to on-peak hourly prices from the California Power Exchange of the same month from the preceding year.

ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AISA) CHARGE

A charge of \$0.00004473 per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AISA in Arizona.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

Tariff No. 70

Sheet No. 5 of 5

Revision No.

Effective: January 1, 2000

DIRECT ACCESS
RESIDENTIAL TIME-OF-USE SCHEDULE NO. 70

RULES AND REGULATIONS

Service Connection Charges

1. There shall be a \$13.50 charge for the initial establishment of each new service for each Customer.
2. There shall be a \$13.50 charge for the re-establishment of each service for each Customer.

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this rate schedule.

Optional rates are or may become available for certain classes of Customers. Upon application for service or upon request the Company will assist the Customer in selecting the rate schedule best suited to the Customer's requirements, but Company does not guarantee that Customers will be served under the most favorable rate schedule. Upon written notification of any material changes in Customer's installation, load conditions, or use of service, Company will assist in determining if a change in rates is desirable, but not more than one such change in rates will be made within any twelve-month period.

Electric space heating and water heating equipment and installation shall conform to the Company's requirements.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

Tariff No. 76

Sheet No. 1 of 6

Revision No. _____

Effective: January 1, 2000

DIRECT ACCESS
GENERAL SERVICE TIME-OF-USE SCHEDULE NO. 76

The Company's following Riders apply to this tariff: Adder Associated with MGC – Rider No. 1; Must-Run Generation – Rider No. 2; Transmission and Ancillary Services – Rider No. 3; Fixed CTC by Class – Rider No. 4; and Transmission Credit – Rider No. 5.

AVAILABILITY

Throughout the entire area where the facilities of the Company are of adequate capacity and are adjacent to the premises. Access to the meter during normal working hours is also a prerequisite for this Schedule. Service hereunder shall be limited to either an aggregate customer total of 30 MW or an aggregate customer total of 130,000,000 kWh annually, whichever total is reached first.

APPLICABILITY

To any Customer entitled to service under Price Schedule No. 10. Service under this Schedule will commence when the appropriate meter has been installed. Also applicable to ESA (special contract) customers who, after expiration of their contracts pursuant to the Company's Amended Settlement Agreement, choose to take Direct Access service.

Customers must stay on this Schedule for a minimum period of one year. A Customer, at his/her discretion and after being served for a twelve-month period under Price Schedule No. 76, may opt to switch service to the Company's non-time-of-use General Service Price Schedule No. 10. The Company shall refund to the Customer any excess moneys paid in total over the entire twelve months under Price Schedule No. 76 that would not have been paid under Price Schedule No. 10. A Customer shall be eligible to receive such a refund of excess moneys on a single occasion only.

Not applicable to resale, breakdown, standby, or auxiliary service.

Because this Schedule requires a type of meter not normally used, the Company makes no guarantee that the meters will be installed within any specific time. However, the Company will make its best effort to install the special meter within a reasonable time.

CHARACTER OF SERVICE

Single or three phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery. Primary metering may be used by mutual agreement.

RATES - Single Phase Service

A monthly net bill based on the following, as applicable, plus any adjustments incorporated in this Schedule:

Distribution - Primary

Applicability: Required for Direct Access Service.

Price of Service: \$0.014535 per kWh

Distribution - Secondary

Applicability: Required for Direct Access service.

Applies to primary & secondary customers; a primary discount may apply to primary customers.

Price of Service: \$0.006724 per kWh

Distribution - Customer Service Drop

Applicability: Required for Direct Access Service.

Price of Service: \$0.404266 per customer per month

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. GlaserTitle: Vice President, Rates & Regulatory SupportDistrict: Entire Electric Service AreaTariff No. 76Sheet No. 2 of 6

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Effective: January 1, 2000

DIRECT ACCESS
GENERAL SERVICE TIME-OF-USE SCHEDULE NO. 76

Uncollectible Accounts

Applicability: Required for Direct Access Service.

Price of Service: \$0.000134 *per kWh***Fixed Must-Run**

Applicability: Required for Direct Access Service.

See Must-Run Generation - Rider No. 2

Price of Service: \$0.005493 *per kWh***Fixed CTC**

Applicability: Required for Direct Access Service.

See Fixed CTC by Class - Rider No. 4

Price of Service: \$0.011825 *per kWh***Floating CTC**

Applicability: Required for Direct Access Service.

See Market Generation Credit (MGC) and Stranded Cost Recovery section of this Tariff.

Demand Side Management

Applicability: Required System Benefits Charge for Direct Access Service.

Price of Service: \$0.000625 *per kWh***Customer Information and Lifeline Discount**

Applicability: Required System Benefits Charge for Direct Access Service.

Price of Service: \$0.000693 *per kWh***Meter Services**

Applicability: Required for Direct Access Service; may be purchased from a qualified third party.

Installation \$1.529561 *per customer per month*Maintenance \$0.305912 *per customer per month*Equipment \$1.223649 *per customer per month*Subtotal \$3.059122 *per customer per month***Meter Reading Services**

Applicability: Required for Direct Access Service; may be purchased from a qualified third party.

Price of Service: \$0.817837 *per customer per month***Billing and Collection**

Applicability: Required for Direct Access Service; may be purchased from a qualified third party.

Price of Service: \$2.568775 *per customer per month*

TUCSON ELECTRIC POWER COMPANY

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Transmission - Group A: For customers under 20 kW and not demand metered.

Applicability: Required for Direct Access Service pursuant to the Company's OATT.

The rates in Transmission Credit – Rider No. 5 will be used for the Transmission Credit in the calculation of the floating CTC. These rates are based on the Company's OATT, but are converted to a kWh-basis for specific load-profiled customer groups.

For illustrative purposes, an estimated rate is shown below.

Energy-based rate for transmission:

\$0.009551 per kWh

Transmission - Group B: For customers not in Group A.

Applicability: Required for Direct Access Service pursuant to the Company's OATT.

The following OATT rate is shown below for information and for calculation of the floating CTC.

See Transmission Rider No. 3.

As of June 7, 1999, the transmission charges are as follows:

EHV

\$2.259000 per kW / Month

Non-EHV

\$0.757000 per kW / Month

Ancillary Services - Group A: For customers under 20 kW and not demand metered.

Applicability: Required for Direct Access Service pursuant to the Company's OATT.

The rates in Transmission Credit – Rider No. 5 will be used for the Transmission Credit in the calculation of the floating CTC. These rates are based on the Company's OATT, but are converted to a kWh-basis for specific load-profiled customer groups.

For illustrative purposes, estimated rates are shown below.

System Control & Dispatch

\$0.000130 per kWh

Reactive Supply and Voltage Control

\$0.000510 per kWh

Regulation and Frequency Response

\$0.000494 per kWh

Energy Imbalance Service

(see Notes)

Spinning Reserve Service

\$0.001340 per kWh

Supplemental Reserve Service

\$0.000219 per kWh

Ancillary Services - Group B: For customers not in Group A.

Applicability: Required for Direct Access Service pursuant to the Company's OATT.

The following OATT rates are shown below for information and for calculation of the floating CTC.

See Transmission Rider No. 3.

As of June 7, 1999, the charges are as follows:

System Control & Dispatch

\$0.041000 per kW / Month

Reactive Supply and Voltage Control

\$0.161000 per kW / Month

Regulation and Frequency Response

\$0.156000 per kW / Month

Energy Imbalance Service

(see Notes)

Spinning Reserve Service

\$0.423000 per kW / Month

Supplemental Reserve Service

\$0.069000 per kW / Month

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

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Effective: January 1, 2000

DIRECT ACCESS
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Notes:

- 1) A loss factor adjustment (5.4%) shall be made for Transmission and Ancillary Services.
- 2) Energy Imbalance Service currently charged pursuant to the Company's OATT, which is subject to change pursuant to AISA protocols.

RATES - Three Phase Service

Same as Single Phase Service, except three phase service is subject to the following additional charges:

Distribution - Customer Service Drop **\$1.00 per customer per month**

Meter Services

 Installation **\$0.81 per customer per month**

 Maintenance **\$0.81 per customer per month**

Equipment **\$4.88 per customer per month**

 Subtotal **\$6.50 per customer per month**

Total **\$7.50 per customer per month**

ADJUSTMENT FOR TRANSFORMER OWNERSHIP AND METERING

1. When Company owns transformers and energy is metered on primary side of transformers, the demand shall be metered and the above schedule subject to a discount of 10.3¢ per kW per month of the billing demand each month.
2. When Customer owns transformers and energy is metered on primary side of transformers, the demand shall be metered and the above schedule subject to a discount of 20.6¢ per kW per month of the billing demand each month.
3. When Customer owns transformers and, at Company's option, energy is metered on secondary side of transformers, the demand shall be metered and the above schedule subject to a discount of 10.3¢ per kW per month of the billing demand each month.

ADDITIONAL NOTES

Summer billing months are May through October and winter billing months are November through April. Demand-Side Management, Customer Information and Lifeline Discount are collectively referred to as the System Benefit Charge (SBC).

The Company has the option to price service in the billing months of May and October at lower levels, which levels shall not be less than marginal cost. Any shoulder consumption remaining from October usage will be billed at the summer shoulder price in following billing months.

The summer On-Peak period is 1:00 p.m. to 6:00 p.m., Monday through Friday (excluding Memorial Day, Independence Day, and Labor Day). The summer Shoulder period is 6:00 p.m. to 8:00 p.m., Monday through Friday (excluding Memorial Day, Independence Day, and Labor Day). The winter On-Peak periods are 7:00 a.m. - 11:00 a.m. and 6:00 p.m. - 9:00 p.m., Monday through Friday (excluding Thanksgiving Day, Christmas Day, and New Year's Day). All other hours are Off-Peak. If a holiday falls on Saturday, the preceding Friday is designated Off-Peak; if a holiday falls on Sunday, the following Monday is designated Off-Peak.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

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Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

See Must-Run Generation – Rider No. 2 for treatment of variable Must-Run Generation.

MARKET GENERATION CREDIT (MGC) and STRANDED COST RECOVERY

The floating CTC is used to recover a portion of stranded cost and is calculated using a MGC methodology. The MGC is determined quarterly, with such change set 45 days prior to each quarter, although the amount will vary month-to-month. The floating CTC equals the difference between the customer's bundled rate and the sum of the MGC, the Adder (pursuant to Adder Associated with MGC – Rider No. 1), and the unbundled charges for a) distribution, b) transmission, c) meter services, d) meter reading services, e) billing and collection, f) demand-side management system benefits charge, g) customer information and lifeline discount system benefits charge, h) uncollectible accounts, i) ancillary services (Transmission and Ancillary Services – Rider No. 3), j) fixed must-run generation (Must-Run Generation – Rider No. 2), and k) fixed CTC (Fixed CTC by Class – Rider No. 4). In a given quarter, the floating CTC can have a negative value, in which case the negative value will be credited to the customer's monthly bill. The floating CTC for an ESA customer shall be calculated using the customer's ESA price as of May 1, 1999 (subject to any automatic escalation provisions contained in the ESA) as the customer's bundled rate per the Company's Amended Settlement Agreement of 1999, §2.1(h).

The monthly MGC will be calculated using an on-peak component and an off-peak component and will be calculated in advance. The monthly on-peak component will be equal to a market price multiplied by the quantity of 1 plus the appropriate line loss (including UFE). The market price will be equal to the Palo Verde NYMEX futures price, except when adjusted for the variable cost of must-run generation. The off-peak component will be determined in the same manner as the on-peak component, except that the Palo Verde futures price will be adjusted by the ratio of off-peak to on-peak hourly prices from the California Power Exchange of the same month from the preceding year.

ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AISA) CHARGE

A charge of \$0.00004473 per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AISA in Arizona.

TAX CLAUSE

To the charges computed under the above prices, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

Service Connection Charges

1. There shall be a \$13.50 charge for the initial establishment of each new service for each Customer.
2. There shall be a \$13.50 charge for the re-establishment of each service for each Customer.

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this Schedule.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

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Effective: January 1, 2000

DIRECT ACCESS
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The Company shall require a written contract and a minimum term of contract.

Optional price schedules are or may become available for certain classes of Customers. Upon application for service or upon request the Company will assist the Customer in selecting the price schedule best suited to the Customer's requirements, but the Company does not guarantee that Customers will be served under the most favorable price schedule. Upon written notification of any material changes in Customer's installation, load conditions, or use of service, Company will assist in determining if a change in price schedule is desirable, but not more than one such change in price schedule will be made within any twelve-month period.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. GlaserTitle: Vice President, Rates & Regulatory SupportDistrict: Entire Electric Service AreaTariff No. 85ASheet No. 1 of 6

Revision No. _____

Effective: January 1, 2000

DIRECT ACCESS
TIME-OF-USE LARGE GENERAL SERVICE SCHEDULE NO. 85A

The Company's following Riders apply to this tariff: Adder Associated with MGC – Rider No. 1; Must-Run Generation – Rider No. 2; Transmission and Ancillary Services – Rider No. 3; Fixed CTC by Class – Rider No. 4; and Transmission Credit – Rider No. 5.

AVAILABILITY

Throughout the entire area where the facilities of the Company are of adequate capacity and are adjacent to the premises. Service under this Schedule and Price Schedule No. 85 (Frozen) shall be limited to a combined total of 30 MW.

APPLICABILITY

To all general power and lighting service on an optional basis when all energy is supplied at one point of delivery and through one metered service. Customer shall contract for a demand of not less than 200 kW. Service under this Schedule shall commence when the appropriate meter has been installed. Also applicable to ESA (special contract) customers who, after expiration of their contracts pursuant to the Company's Amended Settlement Agreement, choose to take Direct Access service.

Not applicable to resale, breakdown, standby, or auxiliary service.

Because this Schedule requires a type of meter that is not normally used; therefore, the Company makes no guarantee that meters shall be installed within any specific time. However, the Company shall make its best effort to install the special meter within a reasonable time.

CHARACTER OF SERVICE

Single or three phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery. Primary metering shall be required for new installations with service requirements in excess of 2,500 kW.

RATES

A monthly net bill based on the following, as applicable, plus any adjustments incorporated in this Schedule:

Distribution - Primary

Applicability: Required for Direct Access Service.

On-peak kW - summer	\$0.841268 per kW
Excess shoulder kW - summer only	\$0.555720 per excess kW
Excess off-peak kW - summer	\$0.420634 per excess kW
On-peak kW - winter	\$0.555720 per kW
Excess off-peak kW - winter	\$0.277860 per excess kW
On-peak kWh - summer	\$0.009698 per kWh
Off-peak kWh - summer	\$0.008819 per kWh
Shoulder kWh - summer only	\$0.009258 per kWh
On-peak kWh - winter	\$0.009258 per kWh
Off-peak kWh - winter	\$0.008380 per kWh

Distribution - Secondary

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Applicability: Required for Direct Access Service.

Applies to primary & secondary customers; a primary discount may apply to primary customers.

On-peak kW - summer	\$0.347037 per kW
Excess shoulder kW - summer only	\$0.229244 per excess kW
Excess off-peak kW - summer	\$0.173519 per excess kW
On-peak kW - winter	\$0.229244 per kW
Excess off-peak kW - winter	\$0.114622 per excess kW
On-peak kWh - summer	\$0.003217 per kWh
Off-peak kWh - summer	\$0.002854 per kWh
Shoulder kWh - summer only	\$0.003035 per kWh
On-peak kWh - winter	\$0.003035 per kWh
Off-peak kWh - winter	\$0.002673 per kWh

Distribution - Customer Service Drop

Applicability: Required for Direct Access Service.

Price of Service: \$82.000000 per customer per month

Uncollectible Accounts

Applicability: Required for Direct Access Service.

On-peak kW	\$0.010111 per kW
Excess shoulder kW - summer only	\$0.007722 per excess kW
Excess off-peak kW	\$0.005056 per excess kW
On-peak kWh	\$0.000105 per kWh
Shoulder kWh - summer only	\$0.000102 per kWh
Off-peak kWh	\$0.000093 per kWh

Fixed Must-Run

Applicability: Required for Direct Access Service.

See Must-Run Generation - Rider No. 2

Price of Service: \$0.003787 per kWh

Fixed CTC

Applicability: Required for Direct Access Service.

See Fixed CTC by Class - Rider No. 4

Price of Service: \$0.008152 per kWh

Floating CTC

Applicability: Required for Direct Access Service.

See Market Generation Credit (MGC) and Stranded Cost Recovery section of this Tariff.

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Tucson, Arizona

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TIME-OF-USE LARGE GENERAL SERVICE SCHEDULE NO. 85A

Demand Side Management

Applicability: Required System Benefits Charge for Direct Access Service.

On-peak kW	\$0.047041 per kW
Excess shoulder kW - summer only	\$0.035925 per excess kW
Excess off-peak kW	\$0.023521 per excess kW
On-peak kWh	\$0.000490 per kWh
Shoulder kWh - summer only	\$0.000476 per kWh
Off-peak kWh	\$0.000434 per kWh

Customer Information and Lifeline Discount

Applicability: Required System Benefits Charge for Direct Access Service.

On-peak kW	\$0.052155 per kW
Excess shoulder kW - summer only	\$0.039830 per excess kW
Excess off-peak kW	\$0.026077 per excess kW
On-peak kWh	\$0.000544 per kWh
Shoulder kWh - summer only	\$0.000527 per kWh
Off-peak kWh	\$0.000481 per kWh

Meter Services

Applicability: Required for Direct Access Service; may be purchased from a qualified third party.

Installation	\$1.500000 per customer per month
Maintenance	\$1.500000 per customer per month
<u>Equipment</u>	<u>\$9.000000</u> per customer per month
Subtotal	\$12.000000 per customer per month

Meter Reading Services

Applicability: Required for Direct Access Service; may be purchased from a qualified third party.

Price of Service: \$1.000000 per customer per month

Billing and Collection

Applicability: Required for Direct Access Service; may be purchased from a qualified third party.

Price of Service: \$5.000000 per customer per month

Transmission

Applicability: Required for Direct Access Service pursuant to the Company's OATT.

The following OATT rate is shown below for information and for calculation of the floating CTC.

See Transmission Rider No. 3.

As of June 7, 1999, the transmission charges are as follows:

EHV	\$2.259000 per kW / Month
Non-EHV	\$0.757000 per kW / Month

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

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Ancillary Services

Applicability: Required for Direct Access Service pursuant to the Company's OATT.

The following OATT rates are shown below for information and for calculation of the floating CTC.

See Transmission Rider No. 3.

As of June 7, 1999, the charges are as follows:

System Control & Dispatch	\$0.041000 per kW / Month
Reactive Supply and Voltage Control	\$0.161000 per kW / Month
Regulation and Frequency Response	\$0.156000 per kW / Month
Energy Imbalance Service	(see Notes)
Spinning Reserve Service	\$0.423000 per kW / Month
Supplemental Reserve Service	\$0.069000 per kW / Month

Notes:

- 1) A loss factor adjustment (5.4%) shall be made for Transmission and Ancillary Services.
- 2) Energy Imbalance Service currently charged pursuant to the Company's OATT, which is subject to change pursuant to AISA protocols.

BILLING DEMAND

The maximum 60-minute measured demand in the month, but not less than 50% of the maximum on-peak demand used for billing purposes in the preceding 11 months, nor less than the contract demand, nor less than 200 kW.

Excess shoulder demand is defined as that positive amount (if any) by which shoulder demand exceeds 150% of on-peak period demand.

Excess off-peak demand is defined as:

1. that positive amount by which off-peak period demand exceeds shoulder period demand (when and if shoulder period demand is greater than 150% of the on-peak period demand and off-peak period demand exceeds shoulder period demand), or;
2. that positive amount by which off-peak period demand exceeds 150% of the on-peak period demand (when and if shoulder period demand is less than 150% of the on-peak period demand and off-peak period demand exceeds 150% of the on-peak period demand), or;
3. zero when the above conditions in 1. are not met and the above conditions in 2. are not met.

In the event that excess shoulder and/or excess off-peak demand occur, excess shoulder demand shall be billed at the shoulder price and excess off-peak demand shall be billed at the off-peak price.

Any shoulder consumption remaining from October usage shall be billed at the summer shoulder price in following billing months.

ADJUSTMENT FOR TRANSFORMER OWNERSHIP AND METERING

1. When Company owns transformers and energy is metered on primary side of transformers, the demand shall be metered and the above Schedule subject to a discount of 10.3¢ per kW per month of the billing demand each month.
2. When Customer owns transformers and energy is metered on primary side of transformers, the demand shall be metered and the above Schedule subject to a discount of 20.6¢ per kW per month of the billing demand each month.
3. When Customer owns transformers and, at Company's option, energy is metered on secondary side of transformers, the demand shall be metered and the above Schedule subject to a discount of 10.3¢ per kW per month of the billing demand each month.

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Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

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Revision No. _____

Effective: January 1, 2000

DIRECT ACCESS
TIME-OF-USE LARGE GENERAL SERVICE SCHEDULE NO. 85A

ADDITIONAL NOTES

Summer billing months are May through October and winter billing months are November through April. Demand-Side Management, Customer Information and Lifeline Discount are collectively referred to as the System Benefit Charge (SBC).

The summer On-Peak period is 1:00 p.m. to 6:00 p.m., Monday through Friday (excluding Memorial Day, Independence Day, and Labor Day). The summer Shoulder period is 6:00 p.m. to 8:00 p.m., Monday through Friday (excluding Memorial Day, Independence Day, and Labor Day). The winter On-Peak periods are 7:00 a.m. - 11:00 a.m. and 6:00 p.m. - 9:00 p.m., Monday through Friday (excluding Thanksgiving Day, Christmas Day, and New Year's Day). All other hours are Off-Peak. If a holiday falls on Saturday, the preceding Friday is designated Off-Peak; if a holiday falls on Sunday, the following Monday is designated Off-Peak.

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

See Must-Run Generation – Rider No. 2 for treatment of variable Must-Run Generation.

MARKET GENERATION CREDIT (MGC) and STRANDED COST RECOVERY

The floating CTC is used to recover a portion of stranded cost and is calculated using a MGC methodology. The MGC is determined quarterly, with such change set 45 days prior to each quarter, although the amount will vary month-to-month. The floating CTC equals the difference between the customer's bundled rate and the sum of the MGC, the Adder (pursuant to Adder Associated with MGC – Rider No. 1), and the unbundled charges for a) distribution, b) transmission, c) meter services, d) meter reading services, e) billing and collection, f) demand-side management system benefits charge, g) customer information and lifeline discount system benefits charge, h) uncollectible accounts, i) ancillary services (Transmission and Ancillary Services – Rider No. 3), j) fixed must-run generation (Must-Run Generation – Rider No. 2), and k) fixed CTC (Fixed CTC by Class – Rider No. 4). In a given quarter, the floating CTC can have a negative value, in which case the negative value will be credited to the customer's monthly bill. The floating CTC for an ESA customer shall be calculated using the customer's ESA price as of May 1, 1999 (subject to any automatic escalation provisions contained in the ESA) as the customer's bundled rate per the Company's Amended Settlement Agreement of 1999, §2.1(h).

The monthly MGC will be calculated using an on-peak component and an off-peak component and will be calculated in advance. The monthly on-peak component will be equal to a market price multiplied by the quantity of 1 plus the appropriate line loss (including UFE). The market price will be equal to the Palo Verde NYMEX futures price, except when adjusted for the variable cost of must-run generation. The off-peak component will be determined in the same manner as the on-peak component, except that the Palo Verde futures price will be adjusted by the ratio of off-peak to on-peak hourly prices from the California Power Exchange of the same month from the preceding year.

ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AISA) CHARGE

A charge of \$0.00004473 per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AISA in Arizona.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

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Effective: January 1, 2000

DIRECT ACCESS
TIME-OF-USE LARGE GENERAL SERVICE SCHEDULE NO. 85A

TAX CLAUSE

To the charges computed under the above prices, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this Schedule.

The Company shall require a written contract and a minimum term of contract.

Optional price schedules are or may become available for certain classes of Customers. Upon application for service or upon request the Company will assist the Customer in selecting the price schedule best suited to the Customer's requirements, but Company does not guarantee that Customers will be served under the most favorable schedule. Upon written notification of any material changes in Customer's installation, load conditions, or use of service, the Company shall assist in determining if a change in schedule is desirable, but not more than one such change shall be made within any twelve-month period.

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Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

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Revision No. _____

Effective: January 1, 2000

DIRECT ACCESS
TIME-OF-USE LARGE GENERAL SERVICE SCHEDULE NO. 85 (FROZEN)

The Company's following Riders apply to this tariff: Adder Associated with MGC – Rider No. 1; Must-Run Generation – Rider No. 2; Transmission and Ancillary Services – Rider No. 3; Fixed CTC by Class – Rider No. 4; and Transmission Credit – Rider No. 5.

AVAILABILITY

Throughout the entire area where the facilities of the Company are of adequate capacity and are adjacent to the premises. Service under this Schedule and Price Schedule No. 85A shall be limited to a combined total of 30 MW.

APPLICABILITY

To all general power and lighting service on an optional basis when all energy is supplied at one point of delivery and through one metered service. Customer shall contract for a demand of not less than 200 kW. Service under this Schedule shall commence when the appropriate meter has been installed. Also applicable to ESA (special contract) customers who, after expiration of their contracts pursuant to the Company's Amended Settlement Agreement, choose to take Direct Access service.

Because this Schedule requires a type of meter that is not normally used, the Company makes no guarantee that meters shall be installed within any specific time. However, the Company shall make its best effort to install the special meter within a reasonable time.

Not applicable to resale, breakdown, standby, or auxiliary service.

CHARACTER OF SERVICE

Single or three phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery. Primary metering shall be required for new installations with service requirements in excess of 2,500 kW.

RATES

A monthly net bill based on the following, as applicable, plus any adjustments incorporated in this Schedule:

Distribution - Primary

Applicability: Required for Direct Access Service.

On-peak kW - summer	\$1.831900 per kW
Excess shoulder kW - summer only	\$1.210284 per excess kW
Excess off-peak kW - summer	\$0.917048 per excess kW
On-peak kW - winter	\$1.019186 per kW
Excess off-peak kW - winter	\$0.509593 per excess kW
On-peak kWh - summer	\$0.013663 per kWh
Off-peak kWh - summer	\$0.005410 per kWh
Shoulder kWh - summer only	\$0.010507 per kWh
On-peak kWh - winter	\$0.010507 per kWh
Off-peak kWh - winter	\$0.005410 per kWh

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Tucson, Arizona

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Effective: January 1, 2000

DIRECT ACCESS
TIME-OF-USE LARGE GENERAL SERVICE SCHEDULE NO. 85 (FROZEN)

Distribution - Secondary

Applicability: Required for Direct Access Service.

Applies to primary & secondary customers; a primary discount may apply to primary customers.

On-peak kW - summer	\$0.755689 <i>per kW</i>
Excess shoulder kW - summer only	\$0.499262 <i>per excess kW</i>
Excess off-peak kW - summer	\$0.378298 <i>per excess kW</i>
On-peak kW - winter	\$0.420431 <i>per kW</i>
Excess off-peak kW - winter	\$0.210216 <i>per excess kW</i>
On-peak kWh - summer	\$0.004852 <i>per kWh</i>
Off-peak kWh - summer	\$0.001448 <i>per kWh</i>
Shoulder kWh - summer only	\$0.003550 <i>per kWh</i>
On-peak kWh - winter	\$0.003550 <i>per kWh</i>
Off-peak kWh - winter	\$0.001448 <i>per kWh</i>

Distribution - Customer Service Drop

Applicability: Required for Direct Access Service.

Price of Service:

\$78.530000 *per customer per month***Uncollectible Accounts**

Applicability: Required for Direct Access Service.

On-peak kW	\$0.021418 <i>per kW</i>
Excess shoulder kW - summer only	\$0.016817 <i>per excess kW</i>
Excess off-peak kW	\$0.010720 <i>per excess kW</i>
On-peak kWh	\$0.000145 <i>per kWh</i>
Shoulder kWh - summer only	\$0.000120 <i>per kWh</i>
Off-peak kWh	\$0.000049 <i>per kWh</i>

Fixed Must-Run

Applicability: Required for Direct Access Service.

See Must-Run Generation - Rider No. 2

Price of Service:

\$0.003787 *per kWh***Fixed CTC**

Applicability: Required for Direct Access Service.

See Fixed CTC by Class - Rider No. 4

Price of Service:

\$0.008152 *per kWh***Floating CTC**

Applicability: Required for Direct Access Service.

See Market Generation Credit (MGC) and Stranded Cost Recovery section of this Tariff.

Demand Side Management

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. GlaserTitle: Vice President, Rates & Regulatory SupportDistrict: Entire Electric Service AreaTariff No. 85FSheet No. 3 of 6

Revision No. _____

Effective: January 1, 2000

DIRECT ACCESS
TIME-OF-USE LARGE GENERAL SERVICE SCHEDULE NO. 85 (FROZEN)

Applicability: Required System Benefits Charge for Direct Access Service.

On-peak kW	\$0.099644 <i>per kW</i>
Excess shoulder kW - summer only	\$0.078240 <i>per excess kW</i>
Excess off-peak kW	\$0.049875 <i>per excess kW</i>
On-peak kWh	\$0.000674 <i>per kWh</i>
Shoulder kWh - summer only	\$0.000556 <i>per kWh</i>
Off-peak kWh	\$0.000227 <i>per kWh</i>

Customer Information and Lifeline Discount

Applicability: Required System Benefits Charge for Direct Access Service.

On-peak kW	\$0.110475 <i>per kW</i>
Excess shoulder kW - summer only	\$0.086745 <i>per excess kW</i>
Excess off-peak kW	\$0.055296 <i>per excess kW</i>
On-peak kWh	\$0.000748 <i>per kWh</i>
Shoulder kWh - summer only	\$0.000617 <i>per kWh</i>
Off-peak kWh	\$0.000252 <i>per kWh</i>

Meter Services

Applicability: Required for Direct Access Service; may be purchased from a qualified third party.

Installation	\$1.500000 <i>per customer per month</i>
Maintenance	\$1.500000 <i>per customer per month</i>
<u>Equipment</u>	<u>\$9.000000</u> <i>per customer per month</i>
Subtotal	\$12.000000 <i>per customer per month</i>

Meter Reading Services

Applicability: Required for Direct Access Service; may be purchased from a qualified third party.

Price of Service: \$1.000000 *per customer per month***Billing and Collection**

Applicability: Required for Direct Access Service; may be purchased from a qualified third party.

Price of Service: \$5.000000 *per customer per month***Transmission**

Applicability: Required for Direct Access Service pursuant to the Company's OATT.

The following OATT rate is shown below for information and for calculation of the floating CTC.

See Transmission Rider No. 3.

As of June 7, 1999, the transmission charges are as follows:

EHV	\$2.259000 <i>per kW / Month</i>
Non-EHV	\$0.757000 <i>per kW / Month</i>

Ancillary Services

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

Tariff No. 85F

Sheet No. 4 of 6

Revision No. _____

Effective: January 1, 2000

DIRECT ACCESS
TIME-OF-USE LARGE GENERAL SERVICE SCHEDULE NO. 85 (FROZEN)

Applicability: Required for Direct Access Service pursuant to the Company's OATT.

The following OATT rates are shown below for information and for calculation of the floating CTC.

See Transmission Rider No. 3.

As of June 7, 1999, the charges are as follows:

System Control & Dispatch	\$0.041000 per kW / Month
Reactive Supply and Voltage Control	\$0.161000 per kW / Month
Regulation and Frequency Response	\$0.156000 per kW / Month
Energy Imbalance Service	(see Notes)
Spinning Reserve Service	\$0.423000 per kW / Month
Supplemental Reserve Service	\$0.069000 per kW / Month

Notes:

- 1) A loss factor adjustment (5.4%) shall be made for Transmission and Ancillary Services.
- 2) Energy Imbalance Service currently charged pursuant to the Company's OATT, which is subject to change pursuant to AISA protocols.

BILLING DEMAND

The maximum 60-minute measured demand in the month, but not less than 50% of the maximum on-peak demand used for billing purposes in the preceding 11 months, nor less than the contract demand, nor less than 200 kW.

Excess shoulder demand is defined as that positive amount (if any) by which shoulder demand exceeds 150% of on-peak period demand.

Excess off-peak demand is defined as:

1. that positive amount by which off-peak period demand exceeds shoulder period demand (when and if shoulder period demand is greater than 150% of the on-peak period demand and off-peak period demand exceeds shoulder period demand), or;
2. that positive amount by which off-peak period demand exceeds 150% of the on-peak period demand (when and if shoulder period demand is less than 150% of the on-peak period demand and off-peak period demand exceeds 150% of the on-peak period demand), or;
3. zero when the above conditions in 1. are not met and the above conditions in 2. are not met.

In the event that excess shoulder and/or excess off-peak demand occur, excess shoulder demand shall be billed at the shoulder price and excess off-peak demand shall be billed at the off-peak price.

Any shoulder consumption remaining from October usage shall be billed at the summer shoulder price in following billing months.

ADJUSTMENT FOR TRANSFORMER OWNERSHIP AND METERING

1. When Company owns transformers and energy is metered on primary side of transformers, the demand shall be metered and the above Schedule subject to a discount of 10.3¢ per kW per month of the billing demand each month.
2. When Customer owns transformers and energy is metered on primary side of transformers, the demand shall be metered and the above Schedule subject to a discount of 20.6¢ per kW per month of the billing demand each month.
3. When Customer owns transformers and, at Company's option, energy is metered on secondary side of transformers, the demand shall be metered and the above Schedule subject to a discount of 10.3¢ per kW per month of the billing demand each month.

ADDITIONAL NOTES

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

Tariff No. 85F

Sheet No. 5 of 6

Revision No. _____

Effective: January 1, 2000

DIRECT ACCESS
TIME-OF-USE LARGE GENERAL SERVICE SCHEDULE NO. 85 (FROZEN)

Summer billing months are May through October and winter billing months are November through April. Demand-Side Management, Customer Information and Lifeline Discount are collectively referred to as the System Benefit Charge (SBC).

The summer On-Peak period is 1:00 p.m. to 6:00 p.m., Monday through Friday (excluding Memorial Day, Independence Day, and Labor Day). The summer Shoulder period is 6:00 p.m. to 8:00 p.m., Monday through Friday (excluding Memorial Day, Independence Day, and Labor Day). The winter On-Peak periods are 7:00 a.m. - 11:00 a.m. and 6:00 p.m. - 9:00 p.m., Monday through Friday (excluding Thanksgiving Day, Christmas Day, and New Year's Day). All other hours are Off-Peak. If a holiday falls on Saturday, the preceding Friday is designated Off-Peak; if a holiday falls on Sunday, the following Monday is designated Off-Peak.

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

See Must-Run Generation – Rider No. 2 for treatment of variable Must-Run Generation.

MARKET GENERATION CREDIT (MGC) and STRANDED COST RECOVERY

The floating CTC is used to recover a portion of stranded cost and is calculated using a MGC methodology. The MGC is determined quarterly, with such change set 45 days prior to each quarter, although the amount will vary month-to-month. The floating CTC equals the difference between the customer's bundled rate and the sum of the MGC, the Adder (pursuant to Adder Associated with MGC – Rider No. 1), and the unbundled charges for: a) distribution, b) transmission, c) meter services, d) meter reading services, e) billing and collection, f) demand-side management system benefits charge, g) customer information and life-line discount system benefits charge, h) uncollectible accounts, i) ancillary services (Transmission and Ancillary Services – Rider No. 3), j) fixed must-run generation (Must-Run Generation – Rider No. 2), and k) fixed CTC (Fixed CTC by Class – Rider No. 4). In a given quarter, the floating CTC can have a negative value, in which case the negative value will be credited to the customer's monthly bill. The floating CTC for an ESA customer shall be calculated using the customer's ESA price as of May 1, 1999 (subject to any automatic escalation provisions contained in the ESA) as the customer's bundled rate per the Company's Amended Settlement Agreement of 1999, §2.1(h).

The monthly MGC will be calculated using an on-peak component and an off-peak component and will be calculated in advance. The monthly on-peak component will be equal to a market price multiplied by the quantity of 1 plus the appropriate line loss (including UFE). The market price will be equal to the Palo Verde NYMEX futures price, except when adjusted for the variable cost of must-run generation. The off-peak component will be determined in the same manner as the on-peak component, except that the Palo Verde futures price will be adjusted by the ratio of off-peak to on-peak hourly prices from the California Power Exchange of the same month from the preceding year.

ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AISA) CHARGE

A charge of \$0.00004473 per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AISA in Arizona.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

Tariff No. 85F

Sheet No. 6 of 6

Revision No. _____

Effective: January 1, 2000

DIRECT ACCESS

TIME-OF-USE LARGE GENERAL SERVICE SCHEDULE NO. 85 (FROZEN)

TAX CLAUSE

To the charges computed under the above prices, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this Schedule.

The Company shall require a written contract and a minimum term of contract.

Optional price schedules are or may become available for certain classes of Customers. Upon application for service or upon request the Company will assist the Customer in selecting the price schedule best suited to the Customer's requirements, but Company does not guarantee that Customers will be served under the most favorable schedule. Upon written notification of any material changes in Customer's installation, load conditions, or use of service, the Company shall assist in determining if a change in schedule is desirable, but not more than one such change shall be made within any twelve-month period.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

Tariff No. 90A

Sheet No. 1 of 6

Revision No. _____

Effective: January 1, 2000

DIRECT ACCESS
TIME-OF-USE LARGE LIGHT AND POWER SCHEDULE NO. 90A

The Company's following Riders apply to this tariff: Adder Associated with MGC – Rider No. 1; Must-Run Generation – Rider No. 2; Transmission and Ancillary Services – Rider No. 3; Fixed CTC by Class – Rider No. 4; and Transmission Credit – Rider No. 5.

AVAILABILITY

Price Schedule No. 90 shall be available for any Customer within the service territory of the Company if the Company has facilities of adequate capacity and a written contract, covering such matters as the Company and Customer shall deem appropriate. Service under this Schedule shall commence when the appropriate meter has been installed. Also applicable to ESA (special contract) customers who, after expiration of their contracts pursuant to the Company's Amended Settlement Agreement, choose to take Direct Access service.

Because this Schedule requires a type of meter that is not normally used, the Company makes no guarantee that meters shall be installed within any specific time. However, the Company shall make its best effort to install the special meter within a reasonable time.

CHARACTER OF SERVICE

Service shall be three phase, 60 Hertz, and shall be supplied directly from any 46,000 volt, or higher voltage, system through distribution facilities used exclusively to serve Price Schedule No. 90 customers at a delivery voltage of not less than 2,400/4,160 volts and delivered at a single point of delivery unless otherwise specified in the contract.

RATES

A monthly net bill based on the following, as applicable, plus any adjustments incorporated in this Schedule:

Distribution - Primary

Applicability: Required for Direct Access Service.

On-peak kW - summer	\$0.000000 per kW
Excess shoulder kW - summer only	\$0.000000 per excess kW
Excess off-peak kW - summer	\$0.000000 per excess kW
On-peak kW - winter	\$0.000000 per kW
Excess off-peak kW - winter	\$0.000000 per excess kW
On-peak kWh - summer	\$0.000000 per kWh
Off-peak kWh - summer	\$0.000000 per kWh
Shoulder kWh - summer only	\$0.000000 per kWh
On-peak kWh - winter	\$0.000000 per kWh
Off-peak kWh - winter	\$0.000000 per kWh

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. GlaserTitle: Vice President, Rates & Regulatory SupportDistrict: Entire Electric Service AreaTariff No. 90ASheet No. 2 of 6

Revision No. _____

Effective: January 1, 2000

DIRECT ACCESS
TIME-OF-USE LARGE LIGHT AND POWER SCHEDULE NO. 90A

Distribution - Secondary

Applicability: Required for Direct Access Service.

Applies to primary & secondary customers; a primary discount may apply to primary customers.

On-peak kW - summer	\$0.000000 per kW
Excess shoulder kW - summer only	\$0.000000 per excess kW
Excess off-peak kW - summer	\$0.000000 per excess kW
On-peak kW - winter	\$0.000000 per kW
Excess off-peak kW - winter	\$0.000000 per excess kW
On-peak kWh - summer	\$0.000000 per kWh
Off-peak kWh - summer	\$0.000000 per kWh
Shoulder kWh - summer only	\$0.000000 per kWh
On-peak kWh - winter	\$0.000000 per kWh
Off-peak kWh - winter	\$0.000000 per kWh

Distribution - Customer Service Drop

Applicability: Required for Direct Access Service.

Price of Service: \$0.000000 per customer per month

Uncollectible Accounts

Applicability: Required for Direct Access Service.

On-peak kW	\$0.018860 per kW
Excess shoulder kW - summer only	\$0.013537 per excess kW
Excess off-peak kW	\$0.009275 per excess kW
On-peak kWh	\$0.000110 per kWh
Shoulder kWh - summer only	\$0.000092 per kWh
Off-peak kWh	\$0.000078 per kWh

Fixed Must-Run

Applicability: Required for Direct Access Service.

See Must-Run Generation - Rider No. 2

Price of Service: \$0.002900 per kWh

Fixed CTC

Applicability: Required for Direct Access Service.

Note: The charge shown here is a weighted class average based upon load factor.

See Fixed CTC by Class - Rider No. 4

Price of Service: \$0.006244 per kWh

Floating CTC

Applicability: Required for Direct Access Service.

See Market Generation Credit (MGC) and Stranded Cost Recovery section of this Tariff.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. GlaserTitle: Vice President, Rates & Regulatory SupportDistrict: Entire Electric Service AreaTariff No. 90ASheet No. 3 of 6

Revision No. _____

Effective: January 1, 2000

DIRECT ACCESS
TIME-OF-USE LARGE LIGHT AND POWER SCHEDULE NO. 90A

Demand Side Management

Applicability: Required System Benefits Charge for Direct Access Service.

On-peak kW	\$0.087745 <i>per kW</i>
Excess shoulder kW - summer only	\$0.062978 <i>per excess kW</i>
Excess off-peak kW	\$0.043153 <i>per excess kW</i>
On-peak kWh	\$0.000513 <i>per kWh</i>
Shoulder kWh - summer only	\$0.000427 <i>per kWh</i>
Off-peak kWh	\$0.000363 <i>per kWh</i>

Customer Information and Lifeline Discount

Applicability: Required System Benefits Charge for Direct Access Service.

On-peak kW	\$0.097283 <i>per kW</i>
Excess shoulder kW - summer only	\$0.069824 <i>per excess kW</i>
Excess off-peak kW	\$0.047844 <i>per excess kW</i>
On-peak kWh	\$0.000268 <i>per kWh</i>
Shoulder kWh - summer only	\$0.000174 <i>per kWh</i>
Off-peak kWh	\$0.000103 <i>per kWh</i>

Meter Services

Applicability: Required for Direct Access Service; may be purchased from a qualified third party.

Installation	\$59.712326 <i>per customer per month</i>
Maintenance	\$59.712326 <i>per customer per month</i>
<u>Equipment</u>	<u>\$477.698607</u> <i>per customer per month</i>
Subtotal	\$597.123258 <i>per customer per month</i>

Meter Reading Services

Applicability: Required for Direct Access Service; may be purchased from a qualified third party.

Price of Service: \$28.317738 *per customer per month***Billing and Collection**

Applicability: Required for Direct Access Service; may be purchased from a qualified third party.

Price of Service: \$88.944306 *per customer per month***Transmission**

Applicability: Required for Direct Access Service pursuant to the Company's OATT.

The following OATT rate is shown below for information and for calculation of the floating CTC.

See Transmission Rider No. 3.

As of June 7, 1999, the transmission charges are as follows:

EHV	\$2.259000 <i>per kW / Month</i>
Non-EHV	\$0.757000 <i>per kW / Month</i>

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

Tariff No. 90A

Sheet No. 4 of 6

Revision No. _____

Effective: January 1, 2000

DIRECT ACCESS
TIME-OF-USE LARGE LIGHT AND POWER SCHEDULE NO. 90A

Ancillary Services

Applicability: Required for Direct Access Service pursuant to the Company's OATT.

The following OATT rates are shown below for information and for calculation of the floating CTC.

See Transmission Rider No. 3.

As of June 7, 1999, the charges are as follows:

System Control & Dispatch	\$0.041000 per kW / Month
Reactive Supply and Voltage Control	\$0.161000 per kW / Month
Regulation and Frequency Response	\$0.156000 per kW / Month
Energy Imbalance Service	(see Notes)
Spinning Reserve Service	\$0.423000 per kW / Month
Supplemental Reserve Service	\$0.069000 per kW / Month

Notes:

- 1) A loss factor adjustment (5.4%) shall be made for Transmission and Ancillary Services.
- 2) Energy Imbalance Service currently charged pursuant to the Company's OATT, which is subject to change pursuant to AISA protocols.

BILLING DEMAND

The billing demand shall be specified in the contract, but shall not be less than 3,000 kW. Additionally, the On-Peak billing demand shall not be less than 66.67% of the maximum On-Peak billing demand in the preceding eleven months, unless otherwise specified in the contract.

Excess shoulder demand is defined as that positive amount (if any) by which shoulder demand exceeds 150% of on-peak period demand.

Excess off-peak demand is defined as:

1. that positive amount by which off-peak period demand exceeds shoulder period demand (when and if shoulder period demand is greater than 150% of the on-peak period demand and off-peak period demand exceeds shoulder period demand), or;
2. that positive amount by which off-peak period demand exceeds 150% of the on-peak period demand (when and if shoulder period demand is less than 150% of the on-peak period demand and off-peak period demand exceeds 150% of the on-peak period demand), or;
3. zero when the above conditions in 1. are not met and the above conditions in 2. are not met.

In the event that excess shoulder and/or excess off-peak demand occur, excess shoulder demand shall be billed at the shoulder price and excess off-peak demand shall be billed at the off-peak price.

Any shoulder consumption remaining from October usage shall be billed at the summer shoulder price in following billing months.

POWER FACTOR ADJUSTMENT

Prices are subject to a discount or a charge of 1.3¢ per kW of billing demand for each 1% the average monthly power factor is above or below 90% lagging to a maximum discount of 13.0¢ per kW of billing demand per month.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

Tariff No. 90A

Sheet No. 5 of 6

Revision No. _____

Effective: January 1, 2000

DIRECT ACCESS
TIME-OF-USE LARGE LIGHT AND POWER SCHEDULE NO. 90A

ADDITIONAL NOTES

Summer billing months are May through October and winter billing months are November through April. Demand-Side Management, Customer Information and Lifeline Discount are collectively referred to as the System Benefit Charge (SBC).

The summer On-Peak period is 1:00 p.m. to 6:00 p.m., Monday through Friday (excluding Memorial Day, Independence Day, and Labor Day). The summer Shoulder period is 6:00 p.m. to 8:00 p.m., Monday through Friday (excluding Memorial Day, Independence Day, and Labor Day). The winter On-Peak periods are 7:00 a.m. - 11:00 a.m. and 6:00 p.m. - 9:00 p.m., Monday through Friday (excluding Thanksgiving Day, Christmas Day, and New Year's Day). All other hours are Off-Peak. If a holiday falls on Saturday, the preceding Friday is designated Off-Peak; if a holiday falls on Sunday, the following Monday is designated Off-Peak.

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

See Must-Run Generation – Rider No. 2 for treatment of variable Must-Run Generation.

MARKET GENERATION CREDIT (MGC) and STRANDED COST RECOVERY

The floating CTC is used to recover a portion of stranded cost and is calculated using a MGC methodology. The MGC is determined quarterly, with such change set 45 days prior to each quarter, although the amount will vary month-to-month. The floating CTC equals the difference between the customer's bundled rate and the sum of the MGC, the Adder (pursuant to Adder Associated with MGC – Rider No. 1), and the unbundled charges for a) distribution, b) transmission, c) meter services, d) meter reading services, e) billing and collection, f) demand-side management system benefits charge, g) customer information and lifeline discount system benefits charge, h) uncollectible accounts, i) ancillary services (Transmission and Ancillary Services – Rider No. 3), j) fixed must-run generation (Must-Run Generation – Rider No. 2), and k) fixed CTC (Fixed CTC by Class – Rider No. 4). In a given quarter, the floating CTC can have a negative value, in which case the negative value will be credited to the customer's monthly bill. The floating CTC for an ESA customer shall be calculated using the customer's ESA price as of May 1, 1999 (subject to any automatic escalation provisions contained in the ESA) as the customer's bundled rate per the Company's Amended Settlement Agreement of 1999, §2.1(h).

The monthly MGC will be calculated using an on-peak component and an off-peak component and will be calculated in advance. The monthly on-peak component will be equal to a market price multiplied by the quantity of 1 plus the appropriate line loss (including UFE). The market price will be equal to the Palo Verde NYMEX futures price, except when adjusted for the variable cost of must-run generation. The off-peak component will be determined in the same manner as the on-peak component, except that the Palo Verde futures price will be adjusted by the ratio of off-peak to on-peak hourly prices from the California Power Exchange of the same month from the preceding year.

ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AISA) CHARGE

A charge of \$0.00004473 per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AISA in Arizona.

TAX CLAUSE

To the charges computed under the above prices, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

Tariff No. 90A

Sheet No. 6 of 6

Revision No. _____

Effective: January 1, 2000

DIRECT ACCESS
TIME-OF-USE LARGE LIGHT AND POWER SCHEDULE NO. 90A

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this Schedule.

The Company shall require a written contract and a minimum term of contract.

Optional price schedules are or may become available for certain classes of Customers. Upon application for service or upon request the Company will assist the Customer in selecting the price schedule best suited to the Customer's requirements, but Company does not guarantee that Customers will be served under the most favorable schedule. Upon written notification of any material changes in Customer's installation, load conditions, or use of service, the Company shall assist in determining if a change in schedule is desirable, but not more than one such change shall be made within any twelve-month period.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. GlaserTitle: Vice President, Rates & Regulatory SupportDistrict: Entire Electric Service AreaTariff No. 90FSheet No. 1 of 6

Revision No. _____

Effective: January 1, 2000**DIRECT ACCESS****TIME-OF-USE LARGE LIGHT AND POWER SCHEDULE NO. 90 (FROZEN)**

The Company's following Riders apply to this tariff: Adder Associated with MGC – Rider No. 1; Must-Run Generation – Rider No. 2; Transmission and Ancillary Services – Rider No. 3; Fixed CTC by Class – Rider No. 4; and Transmission Credit – Rider No. 5.

AVAILABILITY

Price Schedule No. 90 shall be available for any Customer within the service territory of the Company if the Company has facilities of adequate capacity and a written contract, covering such matters as the Company and Customer shall deem appropriate. Service under this Schedule shall commence when the appropriate meter has been installed. Also applicable to ESA (special contract) customers who, after expiration of their contracts pursuant to the Company's Amended Settlement Agreement, choose to take Direct Access service.

Because this Schedule requires a type of meter that is not normally used, the Company makes no guarantee that meters shall be installed within any specific time. However, the Company shall make its best effort to install the special meter within a reasonable time.

CHARACTER OF SERVICE

Service shall be three phase, 60 Hertz, and shall be supplied directly from any 46,000 volt, or higher voltage, system through distribution facilities used exclusively to serve Price Schedule No. 90 customers at a delivery voltage of not less than 2,400/4,160 volts and delivered at a single point of delivery unless otherwise specified in the contract.

RATES

A monthly net bill based on the following, as applicable, plus any adjustments incorporated in this Schedule:

Distribution - Primary

Applicability: Required for Direct Access Service.

On-peak kW - summer	\$0.000000 per kW
Excess shoulder kW - summer only	\$0.000000 per excess kW
Excess off-peak kW - summer	\$0.000000 per excess kW
On-peak kW - winter	\$0.000000 per kW
Excess off-peak kW - winter	\$0.000000 per excess kW
On-peak kWh - summer	\$0.000000 per kWh
Off-peak kWh - summer	\$0.000000 per kWh
Shoulder kWh - summer only	\$0.000000 per kWh
On-peak kWh - winter	\$0.000000 per kWh
Off-peak kWh - winter	\$0.000000 per kWh

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. GlaserTitle: Vice President, Rates & Regulatory SupportDistrict: Entire Electric Service AreaTariff No. 90FSheet No. 2 of 6

Revision No. _____

Effective: January 1, 2000

DIRECT ACCESS
TIME-OF-USE LARGE LIGHT AND POWER SCHEDULE NO. 90 (FROZEN)

Distribution - Secondary

Applicability: Required for Direct Access Service.

Applies to primary & secondary customers; a primary discount may apply to primary customers.

On-peak kW - summer	\$0.000000 per kW
Excess shoulder kW - summer only	\$0.000000 per excess kW
Excess off-peak kW - summer	\$0.000000 per excess kW
On-peak kW - winter	\$0.000000 per kW
Excess off-peak kW - winter	\$0.000000 per excess kW
On-peak kWh - summer	\$0.000000 per kWh
Off-peak kWh - summer	\$0.000000 per kWh
Shoulder kWh - summer only	\$0.000000 per kWh
On-peak kWh - winter	\$0.000000 per kWh
Off-peak kWh - winter	\$0.000000 per kWh

Distribution - Customer Service Drop

Applicability: Required for Direct Access Service.

Price of Service: \$0.000000 per customer per month

Uncollectible Accounts

Applicability: Required for Direct Access Service.

On-peak kW	\$0.018860 per kW
Excess shoulder kW - summer only	\$0.013537 per excess kW
Excess off-peak kW	\$0.009275 per excess kW
On-peak kWh	\$0.000110 per kWh
Shoulder kWh - summer only	\$0.000092 per kWh
Off-peak kWh	\$0.000078 per kWh

Fixed Must-Run

Applicability: Required for Direct Access Service.

See Must-Run Generation - Rider No. 2

Price of Service: \$0.002900 per kWh

Fixed CTC

Applicability: Required for Direct Access Service.

Note: The charge shown here is a weighted class average based upon load factor.

See Fixed CTC by Class - Rider No. 4

Price of Service: \$0.006244 per kWh

Floating CTC

Applicability: Required for Direct Access Service.

See Market Generation Credit (MGC) and Stranded Cost Recovery section of this Tariff.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. GlaserTitle: Vice President, Rates & Regulatory SupportDistrict: Entire Electric Service AreaTariff No. 90FSheet No. 3 of 6

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Effective: January 1, 2000

DIRECT ACCESS
TIME-OF-USE LARGE LIGHT AND POWER SCHEDULE NO. 90 (FROZEN)

Demand Side Management

Applicability: Required System Benefits Charge for Direct Access Service.

On-peak kW	\$0.148451 <i>per kW</i>
Excess shoulder kW - summer only	\$0.117154 <i>per excess kW</i>
Excess off-peak kW	\$0.074231 <i>per excess kW</i>
On-peak kWh	\$0.000607 <i>per kWh</i>
Shoulder kWh - summer only	\$0.000366 <i>per kWh</i>
Off-peak kWh	\$0.000244 <i>per kWh</i>

Customer Information and Lifeline Discount

Applicability: Required System Benefits Charge for Direct Access Service.

On-peak kW	\$0.097283 <i>per kW</i>
Excess shoulder kW - summer only	\$0.069824 <i>per excess kW</i>
Excess off-peak kW	\$0.047844 <i>per excess kW</i>
On-peak kWh	\$0.000268 <i>per kWh</i>
Shoulder kWh - summer only	\$0.000174 <i>per kWh</i>
Off-peak kWh	\$0.000103 <i>per kWh</i>

Meter Services

Applicability: Required for Direct Access Service; may be purchased from a qualified third party.

Installation	\$59.712326 <i>per customer per month</i>
Maintenance	\$59.712326 <i>per customer per month</i>
<u>Equipment</u>	<u>\$477.698607</u> <i>per customer per month</i>
Subtotal	\$597.123258 <i>per customer per month</i>

Meter Reading Services

Applicability: Required for Direct Access Service; may be purchased from a qualified third party.

Price of Service: \$28.317738 *per customer per month***Billing and Collection**

Applicability: Required for Direct Access Service; may be purchased from a qualified third party.

Price of Service: \$88.944306 *per customer per month***Transmission**

Applicability: Required for Direct Access Service pursuant to the Company's OATT.

The following OATT rate is shown below for information and for calculation of the floating CTC.

See Transmission Rider No. 3.

As of June 7, 1999, the transmission charges are as follows:

EHV	\$2.259000 <i>per kW / Month</i>
Non-EHV	\$0.757000 <i>per kW / Month</i>

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

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Effective: January 1, 2000

DIRECT ACCESS
TIME-OF-USE LARGE LIGHT AND POWER SCHEDULE NO. 90 (FROZEN)

Ancillary Services

Applicability: Required for Direct Access Service pursuant to the Company's OATT.

The following OATT rates are shown below for information and for calculation of the floating CTC.

See Transmission Rider No. 3.

As of June 7, 1999, the charges are as follows:

System Control & Dispatch	\$0.041000 per kW / Month
Reactive Supply and Voltage Control	\$0.161000 per kW / Month
Regulation and Frequency Response	\$0.156000 per kW / Month
Energy Imbalance Service	(see Notes)
Spinning Reserve Service	\$0.423000 per kW / Month
Supplemental Reserve Service	\$0.069000 per kW / Month

Notes:

- 1) A loss factor adjustment (5.4%) shall be made for Transmission and Ancillary Services.
- 2) Energy Imbalance Service currently charged pursuant to the Company's OATT, which is subject to change pursuant to AISA protocols.

BILLING DEMAND

The billing demand shall be specified in the contract, but shall not be less than 3,000 kW. Additionally, the On-Peak billing demand shall not be less than 66.67% of the maximum On-Peak billing demand in the preceding eleven months, unless otherwise specified in the contract.

Excess shoulder demand is defined as that positive amount (if any) by which shoulder demand exceeds 150% of on-peak period demand.

Excess off-peak demand is defined as:

1. that positive amount by which off-peak period demand exceeds shoulder period demand (when and if shoulder period demand is greater than 150% of the on-peak period demand and off-peak period demand exceeds shoulder period demand), or;
2. that positive amount by which off-peak period demand exceeds 150% of the on-peak period demand (when and if shoulder period demand is less than 150% of the on-peak period demand and off-peak period demand exceeds 150% of the on-peak period demand), or;
3. zero when the above conditions in 1. are not met and the above conditions in 2. are not met.

In the event that excess shoulder and/or excess off-peak demand occur, excess shoulder demand shall be billed at the shoulder price and excess off-peak demand shall be billed at the off-peak price.

Any shoulder consumption remaining from October usage shall be billed at the summer shoulder price in following billing months.

POWER FACTOR ADJUSTMENT

Prices are subject to a discount or a charge of 1.3¢ per kW of billing demand for each 1% the average monthly power factor is above or below 90% lagging to a maximum discount of 13.0¢ per kW of billing demand per month.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

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Effective: January 1, 2000

DIRECT ACCESS
TIME-OF-USE LARGE LIGHT AND POWER SCHEDULE NO. 90 (FROZEN)

ADDITIONAL NOTES

Summer billing months are May through October and winter billing months are November through April. Demand-Side Management, Customer Information and Lifeline Discount are collectively referred to as the System Benefit Charge (SBC).

The summer On-Peak period is 1:00 p.m. to 6:00 p.m., Monday through Friday (excluding Memorial Day, Independence Day, and Labor Day). The summer Shoulder period is 6:00 p.m. to 8:00 p.m., Monday through Friday (excluding Memorial Day, Independence Day, and Labor Day). The winter On-Peak periods are 7:00 a.m. - 11:00 a.m. and 6:00 p.m. - 9:00 p.m., Monday through Friday (excluding Thanksgiving Day, Christmas Day, and New Year's Day). All other hours are Off-Peak. If a holiday falls on Saturday, the preceding Friday is designated Off-Peak; if a holiday falls on Sunday, the following Monday is designated Off-Peak.

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

See Must-Run Generation – Rider No. 2 for treatment of variable Must-Run Generation.

MARKET GENERATION CREDIT (MGC) and STRANDED COST RECOVERY

The floating CTC is used to recover a portion of stranded cost and is calculated using a MGC methodology. The MGC is determined quarterly, with such change set 45 days prior to each quarter, although the amount will vary month-to-month. The floating CTC equals the difference between the customer's bundled rate and the sum of the MGC, the Adder (pursuant to Adder Associated with MGC – Rider No. 1), and the unbundled charges for a) distribution, b) transmission, c) meter services, d) meter reading services, e) billing and collection, f) demand-side management system benefits charge, g) customer information and lifeline discount system benefits charge, h) uncollectible accounts, i) ancillary services (Transmission and Ancillary Services – Rider No. 3), j) fixed must-run generation (Must-Run Generation – Rider No. 2), and k) fixed CTC (Fixed CTC by Class – Rider No. 4). In a given quarter, the floating CTC can have a negative value, in which case the negative value will be credited to the customer's monthly bill. The floating CTC for an ESA customer shall be calculated using the customer's ESA price as of May 1, 1999 (subject to any automatic escalation provisions contained in the ESA) as the customer's bundled rate per the Company's Amended Settlement Agreement of 1999, §2.1(h).

The monthly MGC will be calculated using an on-peak component and an off-peak component and will be calculated in advance. The monthly on-peak component will be equal to a market price multiplied by the quantity of 1 plus the appropriate line loss (including UFE). The market price will be equal to the Palo Verde NYMEX futures price, except when adjusted for the variable cost of must-run generation. The off-peak component will be determined in the same manner as the on-peak component, except that the Palo Verde futures price will be adjusted by the ratio of off-peak to on-peak hourly prices from the California Power Exchange of the same month from the preceding year.

ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AISA) CHARGE

A charge of \$0.00004473 per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AISA in Arizona.

TAX CLAUSE

To the charges computed under the above prices, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

Tariff No. 90F

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Revision No. _____

Effective: January 1, 2000

DIRECT ACCESS

TIME-OF-USE LARGE LIGHT AND POWER SCHEDULE NO. 90 (FROZEN)

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this Schedule.

The Company shall require a written contract and a minimum term of contract.

Optional price schedules are or may become available for certain classes of Customers. Upon application for service or upon request the Company will assist the Customer in selecting the price schedule best suited to the Customer's requirements, but Company does not guarantee that Customers will be served under the most favorable schedule. Upon written notification of any material changes in Customer's installation, load conditions, or use of service, the Company shall assist in determining if a change in schedule is desirable, but not more than one such change shall be made within any twelve-month period.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

Tariff No. 107

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Revision No. _____

Effective: January 1, 2000

OPTIONAL BACKUP SERVICE FOR SELF-GENERATION FACILITIES OVER 3 MW
SCHEDULE NO. 107

AVAILABILITY

Available throughout Company's entire electric service area where the facilities of the Company are of adequate capacity and are adjacent to the premises.

APPLICABILITY

To any self-generation facility when all energy or capacity is supplied by Company at one point of delivery and through one metered service to replace energy ordinarily generated by a facility's own self-generation equipment during an unscheduled outage of the facility.

CHARACTER OF SERVICE

Single or three phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery. Primary metering may be used by mutual agreement.

RATES

***Service Charge:** To be charged to the customer depending on metering facilities required, per contract with TEP. (*Not applicable if billed under the Optional Maintenance Self-generation Service schedule.)

Reservation Charge:

1. For customers who take service at voltage levels greater than 46 kV, the monthly reservation charge shall be in accordance with sections a., b., c., and d. below:
 - a. For customers with alternate supply resources demonstrating a capacity factor of 95 percent or greater during the billing month, \$1.52 per kW of contract standby capacity.
 - b. For customers with alternate supply resources demonstrating a capacity factor of between 90 percent and 94.9 percent during the billing month, \$2.43 per kW of contract standby capacity.
 - c. For customers with alternate supply resources demonstrating a capacity factor of between 80 percent and 89.9 percent during the billing month, \$4.32 per kW of contract standby capacity.
 - d. For customers with alternate supply resources demonstrating a capacity factor lower than 80 percent, \$19.92 per kW of contract standby capacity.

The cost per kW in sections a, b, c, and d above reflect the likelihood that the Company will have to supply the customer's power needs due to a forced outage of the customer's self-generation facility during the billing month, and the Company's cost to supply such power. The customer's charge for reservation capacity during the billing month is the product of the customer's contract standby capacity and the applicable charge per kW. The cost per kW in sections a, b, c, and d above include firm transmission capacity reserved by the Company for the customer and charged consistent with the Company's FERC-approved Open Access Transmission Tariff.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

Tariff No. 107

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Revision No. _____

Effective: January 1, 2000

OPTIONAL BACKUP SERVICE FOR SELF-GENERATION FACILITIES OVER 3 MW
SCHEDULE NO. 107

2. For customers who take service at voltage levels of 46 kV or less, the monthly reservation charge shall be in accordance with sections a, b, c, and d below:
 - a. For customers with alternate supply resources demonstrating a capacity factor of 95 percent or greater during the billing month, \$4.43 per kW of contract standby capacity.
 - b. For customers with alternate supply resources demonstrating a capacity factor of between 90 percent and 94.9 percent during the billing month, \$5.41 per kW of contract standby capacity.
 - c. For customers with alternate supply resources demonstrating a capacity factor of between 80 percent and 89.9 percent during the billing month, \$7.12 per kW of contract standby capacity.
 - d. For customers with alternate supply resources demonstrating a capacity factor lower than 80 percent, \$22.38 per kW of contract standby capacity.

The cost per kW in sections a, b, c, and d above reflect the likelihood that the Company will have to supply the customer's power needs due to a forced outage of the customer's self-generation facility during the billing month, and the Company's cost to supply such power. The customer's charge for reservation capacity during the billing month is the product of the customer's contract standby capacity and the applicable charge per kW. The cost per kW in sections a, b, c, and d above include firm transmission capacity reserved by the Company for the customer and charged consistent with the Company's FERC-approved Open Access Transmission Tariff, and all non-direct-assigned distribution charges.

Direct-assigned Transmission and Distribution Charge: Any transmission- and distribution-related facilities directly assigned to the customer shall be billed in accordance with the Company's Rules and Regulations.

Standby Energy Charge: All kWh @ 2.214¢ per kWh.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

TERMS AND CONDITIONS

1. The self-generation customer shall reimburse Company upon receipt of statement from Company for all interconnection costs.
2. The customer shall operate its electric generating equipment in accordance with Company rules, regulations, and service requirements.
3. The Company may require a written contract and a minimum term of contract.
4. The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this rate schedule.
5. The requirement for service shall not exceed the nameplate capacity of the customer's self-generation facilities.
6. The frequency and duration of service may be limited so that the rates remain compensatory by ensuring that usage retains the characteristics of partial requirements service.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

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Effective: January 1, 2000

OPTIONAL BACKUP SERVICE FOR SELF-GENERATION FACILITIES OVER 3 MW
SCHEDULE NO. 107

7. A detented meter will be used for service supplied under this schedule.
8. A contribution in aid of construction will be required for any investment in metering equipment in excess of \$1,800.
9. Rates are inclusive of any stranded cost charges associated with this service.
10. Capacity Factor.

For purposes of this rate schedule, the calculation of the capacity factor will be based on an 18-month rolling average as shown in the formula below. The calculation of capacity factor shall not reflect any period of time during a billing month that Company-authorized Maintenance Service was being utilized.

Capacity Factor is equal to the average over the past 18 months of:

$$\frac{(\text{Contract standby capacity} \times \text{hours in month}) - (\text{Standby energy purchased in month})}{\text{Contract standby capacity} \times \text{hours in month}}$$

If customer has less than 18 months of billing history under Backup Service, the capacity factor will be calculated using the months that Backup Service has been taken to date.

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Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

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Tariff No. 108

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Revision No. _____

Effective: January 1, 2000

**OPTIONAL MAINTENANCE ENERGY SERVICE FOR SELF-GENERATION FACILITIES
OVER 3 MW SCHEDULE NO. 108**

AVAILABILITY

Available throughout Company's entire electric service area where the facilities of the Company are of adequate capacity and are adjacent to the premises.

APPLICABILITY

To any self-generator when all energy and capacity are supplied by Company at one point of delivery and through one metered service to replace generation from a facility when such facility is out of service for scheduled maintenance.

CHARACTER OF SERVICE

Single or three phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery. Primary metering may be used by mutual agreement.

RATE

Service Charge: To be charged to the customer depending on metering facilities required, per contract with TEP.

Energy Charge:

- All kWh @ 5.228¢ per kWh**.
- All kWh @ 3.70 cents per kWh if this service is taken in conjunction with Optional Self-generation Backup Service.

** Not applicable if billed under the Optional Self-generation Backup Service schedule.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

TERMS AND CONDITIONS

1. The customer shall reimburse Company upon receipt of statement from Company for all interconnection costs in excess of the normal interconnection costs of a retail customer similarly served and situated.
2. The customer shall operate its electric generating equipment in accordance with Company rules, regulations, and service requirements.
3. The Company may require a written contract and a minimum term of contract.
4. The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this rate schedule.
5. The requirement for service shall not exceed the nameplate capacity of the QF.
6. The frequency and duration of service may be limited so that the rates remain compensatory by ensuring that usage retains the characteristics of partial requirements service.
7. The performance of scheduled maintenance during certain peak hours or months shall be subject to prohibitions to avoid impairing the Company's ability to serve its full requirements customers.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

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Revision No. _____

Effective: January 1, 2000

OPTIONAL MAINTENANCE ENERGY SERVICE FOR SELF-GENERATION FACILITIES
OVER 3 MW SCHEDULE NO. 108

8. Maintenance schedules shall be submitted to the Company for a 12-month period at least 60 days prior to the beginning of such period.
9. A detented meter will be used for service supplied under this schedule.
10. A contribution in aid of construction will be required for any investment in metering equipment in excess of \$1,800.
11. Rates are inclusive of any stranded cost charges associated with this service.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

Tariff No. 201

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Revision No. _____

Effective: January 1, 2000

DIRECT ACCESS
SPECIAL RESIDENTIAL SCHEDULE NO. 201

The Company's following Riders apply to this tariff: Adder Associated with MGC – Rider No. 1; Must-Run Generation – Rider No. 2; Transmission and Ancillary Services – Rider No. 3; Fixed CTC by Class – Rider No. 4; and Transmission Credit – Rider No. 5.

AVAILABILITY

In all territory served by Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the premises served. Access to the meter during normal working hours is also a prerequisite for Options B & C of this Schedule.

APPLICABILITY

To single phase or three phase (Option A only - subject to availability at point of delivery) residential electric service in individual private dwellings when all service is supplied at one point of delivery and energy is metered through one meter. Additionally, this Schedule requires that the customer use exclusively the Company's service for all space heating and all water heating energy requirements except as provided below and that the customer's home conform to the standards of the Good Cents program as in effect at the time of subscription to this Schedule. Notwithstanding the above, the customer's use of solar energy for any purpose shall not preclude subscription to this Schedule. Three different Options are available under this Schedule and are shown below:

- Option A: Customer must meet conditions outlined above.
- Option B: Customer must meet conditions required for option A and must purchase under the time-of-use structure applicable to Option B. Applicable only to single phase service.
- Option C: Customer must meet above conditions required for option A, must use either (i) solar equipment for water heating requirements during the year or (ii) an electric heat pump water heater, or both (i) and (ii), and must purchase under the time-of-use structure applicable to Option C. Applicable only to single phase service.

Not applicable to resale, breakdown, temporary, standby, or auxiliary service or service to individual motors exceeding 40 amperes at a rating of 230 volts or which will cause excessive voltage fluctuations.

Service under Option B or Option C of this Schedule will commence when the appropriate meter has been installed. Customers must stay on Option B or Option C of this Schedule for a minimum period of one year. A Customer, at his/her discretion and after being served for a twelve-month period under Option B or Option C of this Schedule, may opt to switch service to the non-time-of-use Option A of this Schedule. The Company shall refund to the Customer any excess moneys paid in total over the entire twelve months under Rate No. 201, Option B or Option C that would not have been paid under Rate No. 201, Option A. A Customer shall be eligible to receive such a refund of excess moneys on a single occasion only.

Because Options B and C of this Rate Schedule require a type of meter that is not normally used, the Company makes no guarantee that meters will be installed within any specific time. However, the Company will make its best effort to install the special meter within a reasonable time.

CHARACTER OF SERVICE

- Option A: Single or three phase, 60 Hertz, nominal 120/240 volts.
- Option B: Single phase only, 60 Hertz, nominal 120/240 volts.
- Option C: Single phase only, 60 Hertz, nominal 120/240 volts.

TUCSON ELECTRIC POWER COMPANY

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DIRECT ACCESS
SPECIAL RESIDENTIAL SCHEDULE NO. 201

RATES - OPTION A - Single-Phase Service

A monthly net bill based on the following, as applicable, plus any adjustments incorporated in this Schedule:

Distribution - Primary

Applicability: Required for Direct Access Service.

Price of Service: \$0.019131 per kWh**Distribution - Secondary**

Applicability: Required for Direct Access Service.

Applies to primary & secondary customers; a primary discount may apply to primary customers.

Price of Service: \$0.007091 per kWh**Distribution - Customer Service Drop**

Applicability: Required for Direct Access Service.

Price of Service: \$0.623377 per customer per month**Uncollectible Accounts**

Applicability: Required for Direct Access Service.

Price of Service: \$0.000133 per kWh**Fixed Must-Run**

Applicability: Required for Direct Access Service.

See Must-Run Generation - Rider No. 2

Price of Service: \$0.005017 per kWh**Fixed CTC**

Applicability: Required for Direct Access Service.

See Fixed CTC by Class - Rider No. 4

Price of Service: \$0.010800 per kWh**Floating CTC**

Applicability: Required for Direct Access Service.

See Market Generation Credit (MGC) and Stranded Cost Recovery section of this Tariff.

Demand Side Management

Applicability: Required System Benefits Charge for Direct Access Service.

Price of Service: \$0.000617 per kWh**Customer Information and Lifeline Discount**

Applicability: Required System Benefits Charge for Direct Access Service.

Price of Service: \$0.000684 per kWh**Meter Services**

Applicability: Required for Direct Access Service; may be purchased from a qualified third party.

Installation \$0.503195 per customer per monthMaintenance \$0.100639 per customer per monthEquipment \$0.402556 per customer per monthSubtotal \$1.006389 per customer per month

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

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Effective: January 1, 2000

DIRECT ACCESS
SPECIAL RESIDENTIAL SCHEDULE NO. 201

Meter Reading Services

Applicability: Required for Direct Access Service; may be purchased from a qualified third party.

Price of Service: \$0.801807 per customer per month**Billing and Collection**

Applicability: Required for Direct Access Service; may be purchased from a qualified third party.

Price of Service: \$2.518427 per customer per month**Transmission - Group A: For customers under 20 kW and not demand metered.**

Applicability: Required for Direct Access Service pursuant to the Company's OATT.

The rates in Transmission Credit -- Rider No. 5 will be used for the Transmission Credit in the calculation of the floating CTC. These rates are based on the Company's OATT, but are converted to a kWh-basis for specific load-profiled customer groups.

*For illustrative purposes, an estimated rate is shown below.*Energy-based rate for transmission: \$0.008724 per kWh**Transmission - Group B: For customers not in Group A.**

Applicability: Required for Direct Access Service pursuant to the Company's OATT.

The following OATT rate is shown below for information and for calculation of the floating CTC.

See Transmission Rider No. 3.

As of June 7, 1999, the transmission charges are as follows:

EHV	\$2.259000 per kW / Month
Non-EHV	\$0.757000 per kW / Month

Ancillary Services - Group A: For customers under 20 kW and not demand metered.

Applicability: Required for Direct Access Service pursuant to the Company's OATT.

The rates in Transmission Credit -- Rider No. 5 will be used for the Transmission Credit in the calculation of the floating CTC. These rates are based on the Company's OATT, but are converted to a kWh-basis for specific load-profiled customer groups.

For illustrative purposes, estimated rates are shown below.

System Control & Dispatch	\$0.000119 per kWh
Reactive Supply and Voltage Control	\$0.000466 per kWh
Regulation and Frequency Response	\$0.000451 per kWh
Energy Imbalance Service	(see Notes)
Spinning Reserve Service	\$0.001223 per kWh
Supplemental Reserve Service	\$0.000200 per kWh

TUCSON ELECTRIC POWER COMPANY

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DIRECT ACCESS
SPECIAL RESIDENTIAL SCHEDULE NO. 201

Ancillary Services - Group B: For customers not in Group A.

Applicability: Required for Direct Access Service pursuant to the Company's OATT.

The following OATT rates are shown below for information and for calculation of the floating CTC.

See Transmission Rider No. 3.

As of June 7, 1999, the charges are as follows:

System Control & Dispatch	\$0.041000 per kW / Month
Reactive Supply and Voltage Control	\$0.161000 per kW / Month
Regulation and Frequency Response	\$0.156000 per kW / Month
Energy Imbalance Service	(see Notes)
Spinning Reserve Service	\$0.423000 per kW / Month
Supplemental Reserve Service	\$0.069000 per kW / Month

Notes:

- 1) A loss factor adjustment (5.4%) shall be made for Transmission and Ancillary Services.
- 2) Energy Imbalance Service currently charged pursuant to the Company's OATT, which is subject to change pursuant to AISA protocols.

RATES - OPTION A - Three Phase Service

Same as single-phase service, except three-phase service is subject to the following additional charges:

Distribution - Customer Service Drop \$1.00 per customer per month**Meter Services**

Installation	\$0.81 per customer per month
Maintenance	\$0.81 per customer per month
<u>Equipment</u>	<u>\$4.88 per customer per month</u>
Subtotal	\$6.50 per customer per month

Total \$7.50 per customer per month

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Filed by: Steven J. GlaserTitle: Vice President, Rates & Regulatory SupportDistrict: Entire Electric Service AreaTariff No. 201Sheet No. 5 of 11

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RATES - OPTION B

A monthly net bill based on the following, as applicable, plus any adjustments incorporated in this Schedule:

Distribution - Primary

Applicability: Required for Direct Access Service.

Price of Service: \$0.019158 per kWh**Distribution - Secondary**

Applicability: Required for Direct Access Service.

Applies to primary & secondary customers; a primary discount may apply to primary customers.

Price of Service: \$0.007091 per kWh**Distribution - Customer Service Drop**

Applicability: Required for Direct Access Service.

Price of Service: \$0.603377 per customer per month**Uncollectible Accounts**

Applicability: Required for Direct Access Service.

Price of Service: \$0.000133 per kWh**Fixed Must-Run**

Applicability: Required for Direct Access Service.

See Must-Run Generation - Rider No. 2

Price of Service: \$0.005017 per kWh**Fixed CTC**

Applicability: Required for Direct Access Service.

See Fixed CTC by Class - Rider No. 4

Price of Service: \$0.010800 per kWh**Floating CTC**

Applicability: Required for Direct Access Service.

See Market Generation Credit (MGC) and Stranded Cost Recovery section of this Tariff.

Demand Side Management

Applicability: Required System Benefits Charge for Direct Access Service.

Price of Service: \$0.000617 per kWh**Customer Information and Lifeline Discount**

Applicability: Required System Benefits Charge for Direct Access Service.

Price of Service: \$0.000684 per kWh**Meter Services**

Applicability: Required for Direct Access Service; may be purchased from a qualified third party.

Installation \$1.463195 per customer per monthMaintenance \$0.292639 per customer per monthEquipment \$1.170556 per customer per monthSubtotal \$2.926389 per customer per month

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Meter Reading Services

Applicability: Required for Direct Access Service; may be purchased from a qualified third party.

Price of Service: \$0.801807 *per customer per month***Billing and Collection**

Applicability: Required for Direct Access Service; may be purchased from a qualified third party.

Price of Service: \$2.518427 *per customer per month***Transmission - Group A: For customers under 20 kW and not demand metered.**

Applicability: Required for Direct Access Service pursuant to the Company's OATT.

The rates in Transmission Credit – Rider No. 5 will be used for the Transmission Credit in the calculation of the floating CTC. These rates are based on the Company's OATT, but are converted to a kWh-basis for specific load-profiled customer groups.

*For illustrative purposes, an estimated rate is shown below.*Energy-based rate for transmission: \$0.008724 *per kWh***Transmission - Group B: For customers not in Group A.**

Applicability: Required for Direct Access Service pursuant to the Company's OATT.

The following OATT rate is shown below for information and for calculation of the floating CTC.

See Transmission Rider No. 3.

As of June 7, 1999, the transmission charges are as follows:

EHV \$2.259000 *per kW / Month*Non-EHV \$0.757000 *per kW / Month***Ancillary Services - Group A: For customers under 20 kW and not demand metered.**

Applicability: Required for Direct Access Service pursuant to the Company's OATT.

The rates in Transmission Credit – Rider No. 5 will be used for the Transmission Credit in the calculation of the floating CTC. These rates are based on the Company's OATT, but are converted to a kWh-basis for specific load-profiled customer groups.

*For illustrative purposes, estimated rates are shown below.*System Control & Dispatch \$0.000119 *per kWh*Reactive Supply and Voltage Control \$0.000466 *per kWh*Regulation and Frequency Response \$0.000451 *per kWh*Energy Imbalance Service (see Notes)Spinning Reserve Service \$0.001223 *per kWh*Supplemental Reserve Service \$0.000200 *per kWh*

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Ancillary Services - Group B: For customers not in Group A.

Applicability: Required for Direct Access Service pursuant to the Company's OATT.

The following OATT rates are shown below for information and for calculation of the floating CTC.

See Transmission Rider No. 3.

As of June 7, 1999, the charges are as follows:

System Control & Dispatch	\$0.041000 <i>per kW / Month</i>
Reactive Supply and Voltage Control	\$0.161000 <i>per kW / Month</i>
Regulation and Frequency Response	\$0.156000 <i>per kW / Month</i>
Energy Imbalance Service	(see Notes)
Spinning Reserve Service	\$0.423000 <i>per kW / Month</i>
Supplemental Reserve Service	\$0.069000 <i>per kW / Month</i>

Notes:

- 1) A loss factor adjustment (5.4%) shall be made for Transmission and Ancillary Services.
- 2) Energy Imbalance Service currently charged pursuant to the Company's OATT, which is subject to change pursuant to AISA protocols.

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RATES - OPTION C

A monthly net bill based on the following, as applicable, plus any adjustments incorporated in this Schedule:

Distribution - Primary

Applicability: Required for Direct Access Service.

Price of Service: \$0.019158 per kWh**Distribution - Secondary**

Applicability: Required for Direct Access Service.

Applies to primary & secondary customers; a primary discount may apply to primary customers.

Price of Service: \$0.007091 per kWh**Distribution - Customer Service Drop**

Applicability: Required for Direct Access Service.

Price of Service: \$0.603377 per customer per month**Uncollectible Accounts**

Applicability: Required for Direct Access Service.

Price of Service: \$0.000133 per kWh**Fixed Must-Run**

Applicability: Required for Direct Access Service.

See Must-Run Generation - Rider No. 2

Price of Service: \$0.005017 per kWh**Fixed CTC**

Applicability: Required for Direct Access Service.

See Fixed CTC by Class - Rider No. 4

Price of Service: \$0.010800 per kWh**Floating CTC**

Applicability: Required for Direct Access Service.

See Market Generation Credit (MGC) and Stranded Cost Recovery section of this Tariff.

Demand Side Management

Applicability: Required System Benefits Charge for Direct Access Service.

Price of Service: \$0.000617 per kWh**Customer Information and Lifeline Discount**

Applicability: Required System Benefits Charge for Direct Access Service.

Price of Service: \$0.000684 per kWh**Meter Services**

Applicability: Required for Direct Access Service; may be purchased from a qualified third party.

Installation \$1.463195 per customer per monthMaintenance \$0.292639 per customer per monthEquipment \$1.170556 per customer per monthSubtotal \$2.926389 per customer per month

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Meter Reading Services

Applicability: Required for Direct Access Service; may be purchased from a qualified third party.

Price of Service: \$0.801807 per customer per month**Billing and Collection**

Applicability: Required for Direct Access Service; may be purchased from a qualified third party.

Price of Service: \$2.518427 per customer per month**Transmission - Group A: For customers under 20 kW and not demand metered.**

Applicability: Required for Direct Access Service pursuant to the Company's OATT.

The rates in Transmission Credit -- Rider No. 5 will be used for the Transmission Credit in the calculation of the floating CTC. These rates are based on the Company's OATT, but are converted to a kWh-basis for specific load-profiled customer groups.

*For illustrative purposes, an estimated rate is shown below.*Energy-based rate for transmission: \$0.008724 per kWh**Transmission - Group B: For customers not in Group A.**

Applicability: Required for Direct Access Service pursuant to the Company's OATT.

The following OATT rate is shown below for information and for calculation of the floating CTC.

See Transmission Rider No. 3.

As of June 7, 1999, the transmission charges are as follows:

EHV \$2.259000 per kW / MonthNon-EHV \$0.757000 per kW / Month**Ancillary Services - Group A: For customers under 20 kW and not demand metered.**

Applicability: Required for Direct Access Service pursuant to the Company's OATT.

The rates in Transmission Credit -- Rider No. 5 will be used for the Transmission Credit in the calculation of the floating CTC. These rates are based on the Company's OATT, but are converted to a kWh-basis for specific load-profiled customer groups.

*For illustrative purposes, estimated rates are shown below.*System Control & Dispatch \$0.000119 per kWhReactive Supply and Voltage Control \$0.000466 per kWhRegulation and Frequency Response \$0.000451 per kWhEnergy Imbalance Service (see Notes)Spinning Reserve Service \$0.001223 per kWhSupplemental Reserve Service \$0.000200 per kWh

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Ancillary Services - Group B: For customers not in Group A.

Applicability: Required for Direct Access Service pursuant to the Company's OATT.

The following OATT rates are shown below for information and for calculation of the floating CTC.

See Transmission Rider No. 3.

As of June 7, 1999, the charges are as follows:

System Control & Dispatch	\$0.041000 per kW / Month
Reactive Supply and Voltage Control	\$0.161000 per kW / Month
Regulation and Frequency Response	\$0.156000 per kW / Month
Energy Imbalance Service	(see Notes)
Spinning Reserve Service	\$0.423000 per kW / Month
Supplemental Reserve Service	\$0.069000 per kW / Month

Notes:

- 1) A loss factor adjustment (5.4%) shall be made for Transmission and Ancillary Services.
- 2) Energy Imbalance Service currently charged pursuant to the Company's OATT, which is subject to change pursuant to AISA protocols.

ADDITIONAL NOTES

Summer billing months are June, July and August; remaining summer billing months are May, September, and October. Winter billing months are November through April. Demand-Side Management, Customer Information and Lifeline Discount are collectively referred to as the System Benefit Charge (SBC).

The Company has the option to price service in the billing months of May and October at lower levels, which levels shall not be less than marginal cost. Any shoulder consumption remaining from October usage will be billed at the shoulder summer shoulder price in following billing months.

The summer On-Peak period is 1:00 p.m. to 6:00 p.m., Monday through Friday (excluding Memorial Day, Independence Day, and Labor Day). The summer Shoulder period is 6:00 p.m. to 8:00 p.m., Monday through Friday (excluding Memorial Day, Independence Day, and Labor Day). The winter On-Peak periods are 7:00 a.m. - 11:00 a.m. and 6:00 p.m. - 9:00 p.m., Monday through Friday (excluding Thanksgiving Day, Christmas Day, and New Year's Day). All other hours are Off-Peak. If a holiday falls on Saturday, the preceding Friday is designated Off-Peak; if a holiday falls on Sunday, the following Monday is designated Off-Peak.

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

See Must-Run Generation - Rider No. 2 for treatment of variable Must-Run Generation.

MARKET GENERATION CREDIT (MGC) and STRANDED COST RECOVERY

The floating CTC is used to recover a portion of stranded cost and is calculated using a MGC methodology. The MGC is determined quarterly, with such change set 45 days prior to each quarter, although the amount will vary month-to-month. The floating CTC equals the difference between the customer's bundled rate and the sum of the MGC, the Adder (pursuant to Adder Associated with MGC - Rider No. 1), and the unbundled charges for: a) distribution, b) transmission, c) meter services, d) meter reading services, e) billing and collection, f) demand-side management system benefits charge, g) customer information and lifeline discount system benefits charge, h) uncollectible accounts, i) ancillary services (Transmission and Ancillary Services - Rider No. 3), j) fixed must-run generation (Must-Run Generation - Rider No. 2), and

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k) fixed CTC (Fixed CTC by Class – Rider No. 4). In a given quarter, the floating CTC can have a negative value, in which case the negative value will be credited to the customer's monthly bill.

The monthly MGC will be calculated using an on-peak component and an off-peak component and will be calculated in advance. The monthly on-peak component will be equal to a market price multiplied by the quantity of 1 plus the appropriate line loss (including UFE). The market price will be equal to the Palo Verde NYMEX futures price, except when adjusted for the variable cost of must-run generation. The off-peak component will be determined in the same manner as the on-peak component, except that the Palo Verde futures price will be adjusted by the ratio of off-peak to on-peak hourly prices from the California Power Exchange of the same month from the preceding year.

ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AISA) CHARGE

A charge of \$0.00004473 per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AISA in Arizona.

TAX CLAUSE - Applies to all Options

To the charges computed under the above prices, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS - Applies to all Options

Service Connection Charges

1. There shall be a \$13.50 charge for the initial establishment of each new service for each Customer.
2. There shall be a \$13.50 charge for the re-establishment of each service for each Customer.

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this Schedule.

Optional price schedules are or may become available for certain classes of Customers. Upon application for service or upon request the Company will assist the Customer in selecting the price schedule best suited to the Customer's requirements, but Company does not guarantee that Customers will be served under the most favorable schedule. Upon written notification of any material changes in Customer's installation, load conditions, or use of service, the Company shall assist in determining if a change in schedule is desirable, but not more than one such change shall be made within any twelve-month period.

Electric space heating and water heating equipment and installation shall conform to the Company's requirements.

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Filed by: Steven J. GlaserTitle: Vice President, Rates & Regulatory SupportDistrict: Entire Electric Service AreaTariff No. RIDER NO. 1-ADDENDUMSheet No. 1 of 1

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Effective: January 1, 2000**ADDER ASSOCIATED WITH MGC – RIDER NO. 1**

(all prices in mills per kWh)

	Mills per kWh
<u>All customers up to 200 kW demand</u>	
Summer kWh up to 115% of winter kWh	3.84
Summer kWh greater than 115% but less than or equal to 145% of winter kWh	4.44
Summer kWh greater than 145% but less than or equal to 175% of winter kWh	5.04
Summer kWh greater than 175% but less than or equal to 205% of winter kWh	5.64
Summer kWh greater than 205% of winter kWh	6.24
<u>All customers from 200 kW to 3000 kW demand</u>	
Summer kWh up to 106% of winter kWh	3.00
Summer kWh greater than 106% but less than or equal to 136% of winter kWh	3.48
Summer kWh greater than 136%	3.96
<u>All customers 3000 kW demand and above</u>	
Air Liquide	3.00
Fort Huachuca	3.00
Arizona Portland Cement	3.00
IBM	3.00
Asarco Mission 1	3.00
Asarco Mission 2	3.00
Asarco Silverbell	3.00
Cyprus	3.00
University of Arizona Main Campus	3.00
University of Arizona Health Sciences Center	3.00
University of Arizona Central Heating & Refrigeration Plant	3.00
Burr Brown	3.00
Davis Monthan Air Force Base	3.00
Raytheon	3.00
University Medical Center	3.00
Tucson Medical Center	3.00

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District: Entire Electric Service Area

Tariff No. RIDER NO. 2

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Effective: January 1, 2000

MUST-RUN GENERATION – RIDER NO. 2

Must-Run Generation - Rider No.2

Variable Component	\$ 0.015000 per kWh
Fixed Component	
Residential Service	\$ 0.005017 per kWh
General Service - Rates No. 10 and 76	0.005493 per kWh
Mobile Home Parks - Rate No. 11	0.006549 per kWh
Interruptible Agricultural Pumping - Rate No. 31	0.003752 per kWh
Large General Service - Rates No. 13, 85 and 85A	0.003787 per kWh
Large Light & Power - Rates No. 14, 90, and 90A	0.002900 per kWh
Lighting - Rates No. 41, 50 and 51	0.004522 per kWh
Public Authority - Rates No. 40 and 43	0.004876 per kWh
(Weighted Average Fixed Component)	\$ 0.004320 per kWh

Variable component is billed to scheduling coordinator based on actual must-run energy delivered.
Fixed component is billed directly to end-use customer.

During a month in which must-run generation is provided to meet retail load, the Market Price component used in calculating the on-peak MGC shall be a weighted average of the Palo Verde NYMEX futures price and the must-run variable cost charges that are levied on scheduling coordinators serving retail customers in the TEP load zone during that month, consistent with AISA protocols.

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Tariff No. RIDER 3

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Effective: January 1, 2000

TRANSMISSION AND ANCILLARY SERVICES – RIDER NO. 3

Transmission

Group "A" : For customers under 20 kW and not demand metered.

Applicability: Required for Direct Access Service pursuant to the Company's OATT. The rates in Transmission Credit -- Rider No. 5 will be used for the Transmission Credit in the calculation of the floating CTC. These rates are based on the Company's OATT, but are converted to a kWh-basis for specific load-profiled customer groups. For illustrative purposes, estimated rates are shown in selected Direct Access tariffs.

Note: A loss factor adjustment shall be made for transmission and ancillary services.

Group "B" : For customers not in Group A.

Applicability: Required for Direct Access Service pursuant to the Company's OATT. The following OATT rate is shown below for information and for calculation of the floating CTC (See Transmission Rider No. 3).

As of June 7, 1999, the transmission charges are as follows:

EHV	Non-EHV	
2.259	\$0.757000	per kW / Month

Note: A loss factor adjustment shall be made for transmission and ancillary services.

Ancillary Services

Group "A" : For customers under 20 kW and not demand metered.

Applicability: Required for Direct Access Service, but not purchased directly by the customer. Sold to scheduling coordinator pursuant to the OATT. The rates in Transmission Credit -- Rider No. 5 will be used for the Transmission Credit in the calculation of the floating CTC. These rates are based on the Company's OATT, but are converted to a kWh-basis for specific load-profiled customer groups. For illustrative purposes, estimated rates are shown in selected Direct Access tariffs.

Services covered:

1. System Control & Dispatch
2. Reactive Supply and Voltage Control
3. Regulation and Frequency Response
4. Energy Imbalance Service
5. Spinning Reserve Service
6. Supplemental Reserve Service

Notes:

- A loss factor adjustment shall be made for transmission and ancillary services.
- Energy Imbalance Service currently charged pursuant to the Company's OATT, which is subject to change pursuant to AISA protocols.

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Tucson, Arizona

Filed by: Steven J. GlaserTitle: Vice President, Rates & Regulatory SupportDistrict: Entire Electric Service AreaTariff No. RIDER 3Sheet No. 2 of 2

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Effective: January 1, 2000**TRANSMISSION AND ANCILLARY SERVICES – RIDER NO. 3****Group "B" : For customers not in Group A.**

Applicability: Required for Direct Access Service pursuant to the Company's OATT. The following OATT rates are shown below for information and for calculation of the floating CTC (See Transmission Rider No. 3).

As of June 7, 1999, the charges are as follows:

Service		
System Control & Dispatch	\$0.041000	per kW / Month
Reactive Supply and Voltage Control	\$0.161000	per kW / Month
Regulation and Frequency Response	\$0.156000	per kW / Month
Energy Imbalance Service	(see note)	
Spinning Reserve Service	\$0.423000	per kW / Month
Supplemental Reserve Service	\$0.069000	per kW / Month

Notes:

- A loss factor adjustment shall be made for transmission and ancillary services.
- Energy Imbalance Service currently charged pursuant to the Company's OATT, which is subject to change pursuant to AISA protocols.

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Tariff No. RIDER NO. 4

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Revision No. _____

Effective: January 1, 2000

FIXED CTC BY CLASS – RIDER NO. 4

Fixed CTC by Class - Rider No. 4

The weighted average of Fixed CTC by class is \$0.009300 per kWh.

By class, the fixed CTC is:

Residential (Rates No. 01, 02, 21, 70 and 201)	\$0.010800 per kWh
General Service (Rates No. 10 and 76):	0.011825 per kWh
Mobile Home Parks (Rate No. 11)	0.014099 per kWh
Interruptible Agricultural Pumping (Rate No. 31)	0.008077 per kWh
Large General Service (Rates No. 13, 85, and 85A):	0.008152 per kWh
Large Light and Power (Rates No. 14, 90, 90A and Special Contract):	0.006244 per kWh
Note: This is a weighted average charge based upon load factor.	
Charges shall be adjusted such that	
a 60% load factor customer is charged:	0.008100 per kWh
and a 90% factor customer is charged:	0.004900 per kWh
Lighting (Rates No. 41, 50 and 51):	0.009736 per kWh
Public Authority (Rates No. 40 and 43):	0.010497 per kWh

Notes:

1. The planned amortization schedule for the Fixed CTC is contained in Exhibit A to the TEP Settlement Agreement ("Fixed CTC Amortization Schedule"). The actual amortization of the fixed CTC will depend on actual retail kWh sales. To the extent that actual retail kWh sales in a given year are higher than the projected retail kWh sales for that year shown in Exhibit A, the amortization attributed to that year will be increased, decreasing the unamortized balance of fixed stranded cost that remains to be collected.
2. To the extent that actual retail kWh sales in a given year are lower than the projected retail kWh sales for that year shown in Exhibit A, the amortization attributed to that year will be less than the amount shown in Exhibit A, resulting in a higher unamortized balance than would have occurred if sales were as projected.
3. If the Floating CTC is negative in a given month, the amount of the Fixed CTC is not affected, and the Fixed CTC payment will continue to be credited toward the recovery of the remaining balance of fixed stranded cost.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

Tariff No. RIDER NO. 5

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Effective: January 1, 2000

TRANSMISSION CREDIT – RIDER NO. 5

Specific rates to be determined.

These rates are based on the Company's OATT, but are converted to a kWh-basis for specific load-profiled customer groups.

For illustrative purposes, estimated rates are shown in the Transmission and Ancillary Services sections (for "Group A" customers) of the respective Direct Access tariffs.